

1.1. REPORT OF THE EXECUTIVE MAYOR**INTRODUCTION**

The 2007/2008 financial year started on a positive note, to the satisfaction of both the political and the administrative leadership of the Municipality. After a huge task of compiling and submitting the previous years' statements, after years of none submission, we received an unqualified audit statement from the Auditor General.

This achievement, I must say, was not through an overnight hauling of the budget and treasury office. Instead, the proactive leadership of our Accounting Officer, working together with all his Managers and reporting to the political leadership, saw the strengthening of this office.

This was critical since, in order for us to turn things around in the Municipality; we had to come up with the turn around strategy. The Municipality therefore decided to fill all the critical positions in the budget and treasury office by absorbing the two interns in the positions of Deputy Managers Budget and Supply Chain respectively.

This positive move increased motivation levels within this office. Before the filling of these positions, which were in the organizational structure of the office, all these tasks were assigned to one Deputy Manager, who, amidst the huge workload, successfully supported the Chief Financial Officer.

TRANSFORMATION PLAN

The Municipality further appointed the Deputy Manager Income, and the Credit Control Officer, in order to address the popular mandate call of maximization of the revenue base. All these appointments further addressed the institutional transformation of the Municipality.

Further, the appointment of the Managers for Community Services and Corporate Services completed our transformation plan, as far as Senior Management was concerned. We therefore

owe our success to the good record keeping in all our departments and the continuous guidance by the Auditor General, National and Provincial Treasury.

BATHO PELE

As we have adopted the *Batho Pele* principles as our core values, we believe in transparency when dealing with public funds. It is for this reason that when we were called by the Finance Committee on the National Council of Provinces to present the financial status of our Municipality, we excellently did so, not hiding any shortcoming, as we regarded the meeting as a forum that would give us a fair indication of whether we were winning or not. After this presentation, we were requested to assist other Municipalities within the Province in the compilation of such a report. This includes assisting High Capacity Municipalities in this regard.

All these are indications that, despite being a low capacity Municipality that is a grade two, we live up to our motto of "KUMNYAMA KUBOMVU SIYANQOBA", (Come hell or high water, we conquer).

MANAGEMENT OF ANNUAL BUDGET

These financial statements are therefore a report of how the annual budget was managed throughout the year. Through the Service Delivery and Budget Implementation Plans' monthly reports submitted by the Accounting Officer, to the various Council Committees, the political leadership was able to track progress on the service delivery issues.

Thus, we are able to report to communities on all the Municipal projects, their progress and challenges envisaged. By doing this, we were indicating the importance of participatory democracy through intensive communication.

VISION

We believe that we are a step closer to the realization of vision 2014, of eradicating poverty and halving unemployment as we are spending our budget according to the people's needs recorded as priority issues in our revised Integrated Development Plan.

We further believe that if we could sustain the pace at which we are conducting Council business, we would attain our vision of "*a secure environment with sustainable development to promote service excellence, unity and public participation resulting in a caring society*", sooner than anticipate

Clr. Linkie Mohlala

Executive Mayor

Date : 29 August 2008

OVERVIEW OF THE MUNICIPAL MANAGER

The Financial year 2007/08 was started on a high note by the municipality precisely because of the following reasons:

- The municipality had obtained unqualified audit reports for both 2006/07 and 2005/06 financial years.
- The Department of Local Government and Housing had just indicated that the Integrated Development Plan (IDP) Review for 2007/08, adopted by Council in March 2007, was credible.
- All Section 57 Managers were appointed and they have signed their performance agreements.
- The budget for the 2007/08 financial year was adopted on time and it was credible in terms of the Municipal Finance Management Act (MFMA).

The MFMA requires municipalities to develop service delivery and budget implementation plans. Accordingly the municipality drafted their SDBIP's and were approved by the Executive Mayor by the 28th of July 2007. The SDBIP's were drafted in accordance with five key performance areas (KPA) namely;

- Service Delivery and Infra-structure Development
- Local Economic Development
- Financial Viability
- Institutional Development
- Public Participation and Good Governance

Service Delivery and Infra-structure

It can be noted that the municipality still faces some challenges relating to service delivery and infra-structural development. Four projects were identified as quick wins. The municipality could not conclude the following:

- Construction of tennis court and volleyball court in Emthonjeni.
- Installation of services in Sakhelwe.

These projects were supposed to have been completed in June 2007 and were then rolled over to 2007/08 financial year but they are still not concluded due mainly to financial constraints.

However, the only two projects that were completed within the 2007/08 financial year were the grading of 1km of road in Emgwenya and the fencing of Siyathuthuka cemetery.

Projects that were funded from the municipal infra-structure grant have tarred fairly well because by the end of the financial year, expenditure was at around 91% and these two projects related to water. The one project was a project of drilling boreholes in the farm areas and the second one was the installation of pressure tower in Extension 2 Belfast. Both these projects were significant because they are aimed at addressing one of the important millennium development goals of ensuring access to water all by 2008. Furthermore, the pressure tower project is responding to the growth and development of Belfast.

Local Economic Development

The municipality continued to make strides in this area of work. Our municipal LED Strategy was adopted during March of 2007 and it was operationalised from the 1st of July 2007.

The strategy identified four main thrust, namely;

- SMME Development
- Tourism Development
- Agricultural Development and Beneficiation and,
- Training and Development

Accordingly, the Waterval Boven Strawberry project and Ekujabuleni bakery in Emthonjeni were resuscitated with the help of Nkomati Mine. These projects were responding to thrust number one

of our LED strategy. Another project that was identified last financial year was the development of a coal yard for 10 young people of Siyathuthuka. The project is at an advanced stage.

During the month of January 2008, the youth of Emakhazeni got together to discuss issues of their own development, they resolved among other things to establish youth corporatives and that the municipality must ensure that at least 40% of its capital projects are set aside for the youth.

Financial Viability

It is in this the municipality made considerable strides. During November 2007 the Auditor General gave the municipality an unqualified audit opinion for the 2006/2007, the municipal council resolved to adopt a number of finance related policies so that it will be easy to deal with financial matters.

The municipality stated the financial year by developing a revenue enhancement strategy, which had two fundamental objectives.

- To ensure that the municipal data is cleansed. Ensure that long outstanding debts are paid or arrangements are made.

To date the revenue enhancement strategy has made it possible for the municipality to monitor its debtors on a monthly basis.

Institutional Transformation and Development

The municipality has been able to submit its skills development plan and Employment Equity plans respectively on time for the 2007/08 financial year. That is why it has started to receive skills grants. With regard to the employment equity plan, the municipality strives to meet its numerical goals when employing its personnel. The challenge still remains that the municipality is unable to attract people with scarce skills like water technicians, building inspectors and engineers.

Honorable councilors together with certain staff members were registered with a further education and training college to obtain computer skills.

Public participation and good governance

Finally s per the provision of the constitution that local government must involve the community and the community structures on matters of governance, it be noted that the municipality has sought to improve its public participation initiatives. As a result , members of ward committees are still transported expected to report back to their constituencies at least once in two months. However, it must be indicated that the mandatory ward based meetings are not sitting as regularly as they are suppose to.

However, the community and community structures do participate in major decision making processes such as annual report, budget adoption and IDP processes.

With regard to good governance the municipality has during the financial year f 2007/08 adopted a risk based audit plan and a three year rolling plan. It be noted that and audit charter was received and the municipality is in process of adopting anti corruption strategy.

In conclusion, the municipality has revised its long term strategic vision and it now reads as follows

"A secure environment with sustainable development to promote service excellence, unity and public participation resulting in a caring society.

CHAPTER 2: PERFORMANCE HIGHLIGHTS

Backlogs in Service Delivery

Water Backlogs

Backlogs to be eliminated
(No of households not receiving Minimum
Standard Services)

Spending on new Infrastructure to
eliminate Backlogs

Spending on renewal of
Existing Infrastructure to Eliminate Backlogs

Total Spending to Eliminate Backlogs

Spending on maintenance to ensure
There are no new backlogs created.

Sanitation Backlogs

Backlogs to be Eliminated
(No of households not receiving Minimum
Standard Services)

Spending on new Infrastructure to
eliminate Backlogs

Spending on renewal of
Existing Infrastructure to Eliminate Backlogs

Total Spending to Eliminate Backlogs

Spending on maintenance to ensure
There are no new backlogs created.

Refuse Removal Backlogs

Backlogs to be eliminated
(No of households not receiving Minimum
Standard Services)

Spending on new Infrastructure to
eliminate Backlogs

Spending on renewal of
Existing Infrastructure to Eliminate Backlogs

Total Spending to Eliminate Backlogs

Spending on maintenance to ensure
There are no new backlogs created.

	2006/2007			2007/2008		
	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlogs to be eliminated (No of households not receiving Minimum Standard Services)	743	180	90	653	242	368
Spending on new Infrastructure to eliminate Backlogs	R54.7 mil.	R6.6mil.	R4.3mil	R53,2 mil.	R6.6mil.	R1.5mil
Spending on renewal of Existing Infrastructure to Eliminate Backlogs	R10.9mil.	R6.4mil.	R1.3mil	R8.9mil.	R2mil.	R2mil
Total Spending to Eliminate Backlogs			R2.6mil.			R2mil.
Spending on maintenance to ensure There are no new backlogs created.		R2.110mil	R1.35mil		R6.4mil	R3.5mil
Backlogs to be Eliminated (No of households not receiving Minimum Standard Services)	1473	300	120	1003	R1.2mil	R1.2mil
Spending on new Infrastructure to eliminate Backlogs	R30mil.	R4.01mil.	R1.64mil	R28.85mil.	R3mil.	R1.15mil
Spending on renewal of Existing Infrastructure to Eliminate Backlogs	R20mil.	R4.0mil	R2.2mil	R20mil.	R5.1mil	R2mil
Total Spending to Eliminate Backlogs			R3.92mil			R2mil
Spending on maintenance to ensure There are no new backlogs created.		R1.7mil.	R104.699. 18mil.		R4mil.	R2mil.
Backlogs to be eliminated (No of households not receiving Minimum Standard Services)	1400	0	0	1400	0	0
Spending on new Infrastructure to eliminate Backlogs	5000			5000		
Spending on renewal of Existing Infrastructure to Eliminate Backlogs	R3.5 mil	R2mil	0	R3.5 mil	R2mil	0
Total Spending to Eliminate Backlogs	R4mil	-	-	R4mil	-	-
Spending on maintenance to ensure There are no new backlogs created.	R300 000	-	-	R300 000	-	-

Electricity Backlogs (per month)

Backlogs to be eliminated (No of households not receiving Minimum Standard Services)	780	276	401	462	242	368
Spending on new Infrastructure to eliminate Backlogs	R16.8mil.	R1.100mil.	R5.5mil	R13,4mil	R3.4mil	R3.4 mil.
Spending on renewal of Existing Infrastructure to Eliminate Backlogs	R6.2mil.	R1.24mil	0	R5.5mil.	R1.4mil	R649 000
Total Spending to Eliminate Backlogs		R12.026mil	R4.62 mil			R4mil
Spending on maintenance to ensure There are no new backlogs created.			R4.02 mil		R1.4mil	R649 000
						2km
Roads Backlogs						
Backlogs to be eliminated (No of households not receiving Minimum Standard Services)	117.6km	1308	1.4km	115.6km	13.06km	R3mil
Spending on new Infrastructure to eliminate Backlogs	R82mil.	R16.4mil	R0	R79mil.	R500 000	R400.000.00
Spending on renewal of Existing Infrastructure to Eliminate Backlogs	R15mil.	R3mil.	R400.000.00	R15mil.	R1mil.	R1mil.
Total Spending to Eliminate Backlogs		R5.11mil	R1mil.			R400 000
Spending on maintenance to ensure There are no new backlogs created.			R4.83 mil.		R500 000	

Number of households electrified	- 133
Number of households provided with water	- 83
Number of households built during the year	- 80
Number of households with no access to minimum services	- 1158 (Farms, Sakhelwe, Emthonjeni, Madala & Emgwenya)

BACKLOGS

1. 98 stands without services in Emgwenya
2. 308 house holds in rural area without water
3. 857 households in rural area without sanitation
4. Upgrading 4.5km of streets in Dullstroom
5. Upgrading of 2km streets in Sakhelwe
6. Upgrading of 17km of gravel streets in Siyathuthuka
7. Upgrading 10km of gravel streets in Belfast
8. Upgrading 3 km from gravel to paving streets in Emthonjeni
9. Upgrading 4km of gravel streets in Emgwenya
10. 1158 households in the rural areas do not have access to refuse removal services.

PROJECT PROGRESS REPORT 2007/2008

PROJECT NAME	LOCATION	BUDGET	STATUS	PROGRESS	BENEFICIARIES	WARD
Upgrading of water rising main in Dullstroom	Dullstroom	R 2 million	90%	Retention fee held	Dullstroom Community	4
Siyathuthuka Bulk Electricity Supply	Siyathuthuka	R 3.6 million	100%	Completed	Siyathuthuka Community	1,2,3
Grading of 8 meter road at Emgwenya	Emgwenya	R500 000	100%	Completed	Emgwenya Community	7
Installation of boreholes	Rural Areas	R 1.1 million	100%	Complete	Community from Rural Areas	1,2,3,4, 5,6,7
Potable Water Storage Construction	Belfast	R2 million	80%	Still under construction	Belfast Community	1
Kraaispruit Dam pipeline to the water treatment plant	Belfast	R1 million	70%	Still under construction	Belfast and Siyahtuthuka Community	1
Construction of firehouses	Waterval Boven and Dullstroom	R600 000	75%	Still under construction	Emgwenya, W/Boven, Sakhelwe and Dullstroom Community	7, 4
Installation of civil and Engineering services	Sakhelwe Ext. 2	R6 million	90%	Under construction	Sakhelwe Community	4

SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

WATER SERVICES

SPECIAL PROJECTS INTRODUCED TO INCREASE ACCESS TO WATER SERVICES DURING FY 2007/2008

BELFAST PORTABLE STORAGE

Source of Water

Potable Water is provided to Belfast and Siyathuthuka by Emakhazeni Local Municipality. The water is extracted from the Belfast Dam, purified and conveyed via pipelines to reservoirs within Belfast and Siyathuthuka from where it is distributed to the community.

The present and future estimated water demand for Belfast and Siyathuthuka at an average growth rate of 1.65% for Belfast and 3% for Siyathuthuka is summarized as follows:

Average Daily water demand (kl per day)

<u>Year</u>	<u>Belfast</u>	<u>Siyathuthuka</u>	<u>Total Daily Use</u>
2004	1 648	1 172	2 820
2006	1 703	1 244	2 947
2016	2 006	1 672	4 609
2026	3 362	2 247	4 609

Water Rights

Emakhazeni Local Municipality is a Water Services Authority in terms of Water Act.

The raw water to meet the demands of Belfast and Siyathuthuka is abstracted from Kraaispruit Dam and Belfast. Belfast currently has one 2400kl reservoir and one 350kl reservoir with a combined reservoir capacity of 2750kl. In accordance with the current water demand a 38.8 hours storage is available. It is proposed that one additional 2000kl reservoir which is near completion will increase the storage capacity to 4 750kl.

DRILLING AND INSTALLATION OF BOREHOLES AND HAND PUMP

Emakhazeni Local Municipality was allocated R3.4 million from MIG allocation for 2007/2008. A project to address water backlog on farms was approved by the Municipality. The project has already improved lives of the people around the rural areas.

It be noted that the most areas under ELM is classified as rural consisting of isolated communities spread out through the municipal areas. These arrears have no services such as water, sanitation and electricity. It is the intention of ELM to meet the millennium goal by supplying free basic water to all households in the rural areas by means of, drilling and casing of boreholes as well as the installation of the pumps and windmill. The rural community have now excess to potable water.

VIP TOILETS

It would not be fair that the rural community's lives are only improved as far as provision of water is concerned except to ensuring that they also get improved sanitation facilities. It is against this background that the ELM sourced funding from NDM to construct 102 toilets in the rural areas

ELECTRICITY

SPECIAL PROJECTS INTRODUCED IN THE ELECTRICITY PROVISION DURING FY 2007/08

UPGRADING OF SIYATHUTHUKA BULK SUPPLY

BACKGROUND

Siyathuthuka is the biggest township within the Emakhazeni Local Municipality's area of jurisdiction. The vibrant economy in and around this town has put severe pressure on the Local Municipality to provide electrical services to new residential houses and future housing projects in Siyathuthuka.

The existing Bulk Electricity supply to Siyathuthuka was not capable of supplying electricity for the increased demand.

PROJECT SCOPE AND OBJECTIVES

The scope of the project was to enlarge the capacity of Siyathuthuka main intake substation to cope with the electricity demand been placed on the substation due to expansions within the town of Siyathuthuka. The objective to enlarge the substation is as follows:

- Network safety adherence
- Meet Belfast & Siyathuthuka maximum demand requirements
- Cater for future development effects on the substation
- Training personnel in the correct switching procedures.

The project consisted mainly of:

- Supply and installation of 11kV, XLPE cables to improve the reliability of electricity supply to Siyathuthuka.
- Supply and installation of Ring main units to improve safe working conditions for electrical switching.
- Supply and Installation of 11kV Switchgear at Siyathuthuka Main Intake substation.

PROJECT FEASIBILITY

This project was necessary to ensure that the towns of Belfast and Siyathuthuka, within the Emakhazeni Local Municipal boundary have sufficient capacity to cater for future developments and the government's 2012 goal to supply all households, in South Africa, with electricity.

Technically, the project is feasible as it forms part of the future development of the services to be rendered by Emakhazeni Local Municipality.

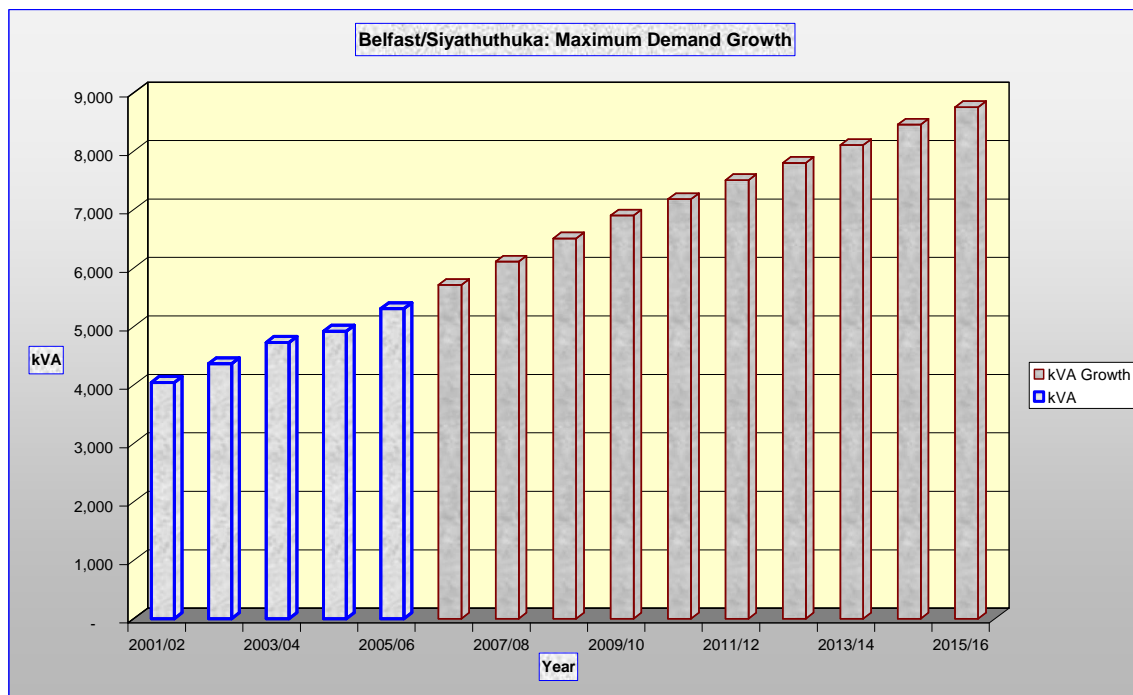
The 11kV loads for the Main Intake substation at Belfast can be summarized as follows:

BELFAST 11kV, MAIN INTAKE SUBSTATION

<i>FEEDER NAME</i>	<i>CAPACITY (MVA)</i>	<i>RECORDED PEAK LOAD (2006) (MVA)</i>
Eskom 1 Incomer – 70mm ² , Cu XLPE cable	4.4	3.9
Eskom 2 Incomer – 70mm ² , Cu XLPE cable	4.4	2.1
Siyathuthuka/Industrial Area - 11kV Mink O/line	4.9	3.9
Belfast Ext.3 Feeder – 35mm ² , Cu Paper cable	2.5	0.9
Belfast CBD Feeder – 70mm ² , Cu Paper cable	3.8	1.6

It can be clearly be seen from the above table that the Siyathuthuka Supply is operating close to it's maximum capacity. The main objective of this project was to improve the electricity supply capacity to Siyathuthuka and to improve the reliability of the electricity supply.

The following graph indicates the expected maximum demand growth for the towns of Belfast and Siyathuthuka. The average growth for these towns has been taken with the new developments and electrification programs to determine the expected maximum demand growth.



It is clear from the above graph that the Maximum Demand will increase by 80% within the next 10 years.

SOLID WASTE MANAGEMENT

SPECIAL PROJECTS INTRODUCED IN THE PROVISION OF SOLID WASTE MANAGEMENT DURING FY 2007/08

COMMUNITY SERVICES: PRIMARY & ENVIRONMENTAL HEALTH

CAPITAL PROJECTS

In the commitment to improving the standard of living in an environment that is safe and healthy to the residents of Emakhazeni, the municipality has started to prioritize certain environmental projects and allocation of resources.

FENCING OF LANDFILL SITES

The section dealing with waste management in particular has identified all the landfill sites as a priority that needs a large sum of financial assistance in order to manage the landfill sites to a more satisfactory standard.

MACHADODORP/EMTHONJENI & DULLSTROOM/SAKHELWE

During the current financial year, the municipality has embarked on securing and allocating funds for the fencing of the above-mentioned landfill sites. The fencing of the landfill site at Machadodorp/Emthonjeni is complete. The fencing project at Dullstroom/Sakhelwe is at its final stages of completion.

PURCHASE OF MACHINERY & EQUIPMENT

LDV (1400 Nissan Bakkie)

A new LDV was procured within this financial year that is to be used by one of the supervisor's in the cleansing section for supervision purposes as well as assisting with clearing of minor illegal dumping areas.

TLB (BELL 315SJ, 4X4)

Illegal dumping is one of the challenges faced by the municipality and in order to help with clearing these sites, adequate equipment and machinery is required. In this financial year the municipality has procured the above-mentioned TLB to assist with clearing of these illegal dumping areas.

WATERVAL BOVEN CLEANING CAMPAIGN

This cleaning campaign was an initiative by Community Services Department: Primary & Environmental Health section targeting the community of Emgwenya to assist in raising environmental awareness especially in terms of illegal dumping. The campaign took place on the 29 February 2008 and was a success with participation from our Honourable Councillors, officials from the municipality, officials from DALA and the community at large. The representatives from DALA also conducted an educational talk after the clean-up to the participants. Emphasis was placed on illegal dumping and the need to keep the environment clean as well as the encouragement of recycling initiatives.

SAKHELWE CLEANING CAMPAIGN

This campaign was an initiative from the Department of Health and Social Services targeting unemployed youth in the Sakhelwe area to assist in community volunteer programmes. The recipients of the programme were the Sakhelwe Community crèche as well as the community of Sakhelwe. The event was held on the 17 August 2007. As a municipality in which this event was occurring we supported the initiative through our role in co-operate governance in assisting with resources (equipment and man-power), catering and helping to mobilize the community.

The crèche received garden implements and paint to renovate the premises. The cleaning campaign revolved around Sakhelwe with special attention on the illegal dumping spots and the areas surrounding the primary school and the crèche.

EMTHONJENI CLEANING CAMPAIGN

HIV & AIDS continues to be a challenge throughout the world. Emakhazeni according to DoHSS statistics has an infection rate of 47, 4% which is the highest in the Nkangala district. This campaign was also an initiative by the municipality with the aim of raising HIV & AIDS awareness in our communities and keeping in mind the up coming World AIDS day on the 01 December 2007. Particular emphasize was placed on encouraging individuals to know their status. This event

took place on the 03 August 2007 at Emthonjeni. The Honourable Executive Mayor, being the chairperson of the Emakhazeni Local AIDS council also put forward a challenge to all leaders to go for voluntary counselling and testing. The programme was supported by Nkangala District Municipality, DoHSS and local NGO's.

A person living positively with HIV from the Middleburg area also gave a heart warming and encouraging speech on how a person can live a positive and healthy life despite being HIV positive. The DoHSS also gave a message of support with the reason for having a clean environment in that people living with HIV are more susceptible to contacting diseases and also distributed HIV & AIDS reading material.

The district municipality commended the local municipality and its staff on the cleanliness of Emthonjeni and gave a message of support from the District in that they were proud of the initiative that the municipality was embarking upon in trying to address the challenge of HIV & AIDS.

ROADS

SPECIAL PROJECTS INTRODUCED IN THE PROVISION OF ROADS SERVICES DURING FY 2007/2008

ROADS

In line with the response to the community needs with regards to safer roads at Emthonjeni, the Municipality identified the street from Vusi Masango community hall towards extension 2 to be paved.

This has changed the lives of the people who now, enjoy the use of the street to attend community meetings at the hall.

1.6. HOUSING

1.6.1 SPECIAL PROJECTS INTRODUCED TO HOUSING DURING FY 2007/2008

HOUSING : SIYATHUTHUKA AND EMTHONJENI

It was innovative that Emakhazeni Local Municipality, a small municipality as it is, was given the opportunity to act as a Developer for RDP houses that were left incomplete by the previous Developer. This meant that the Municipality will take responsibility to complete those houses in order to accommodate the poorest of the poor who could not wait longer.

In the process, the Municipality managed to appoint local contractors who in turn were able to deliver the following houses:

113 houses for Emthonjeni; and
120 houses for Siyathuthuka.

URBAN EFFICIENCY AND SPATIAL PLANNING

SPECIAL PROJECTS INTRODUCED TO SPATIAL PLANNING OF YOUR MUNICIPALITY DURING FY 2007/2008

URBAN EFFICIENCY AND SPATIAL PLANNING

ELM has embarked on a vigorous development campaign to improve the outlook of the landscape as well as to attract tourists because Emakhazeni is one of the powerful tourist destinations.

The above attributed to collaborations, mutual agreements and service level agreements as well as public private partnerships concluded in the main.

Empumelelweni Township
Siyakhula Project (Ptn 6 Van Wyk's Vlei).
St. Micheil's golf and Country Estate
Purchase of land for development and commonage.

EMPUMELELWENI TOWNSHIP

This is an initiation of the Municipality to make land available to a local developer in order to address the plight of the middle income group which is often left out in terms of provision of erven due to the fact that much attention is given to the poorest of the poor (low-cost housing strategy).

The Township will yield 100 erven for the target market to benefit in Machadodorp.

SIYAKHULA PROJECT

Clr. Van der Berg from Nkangala District Municipality came out boldly and donated 10 hectares of land to his farm workers at Portion 6 of the farm Van Wyk's Vlei.

Seeing that a portion of this farm extended on to the neighbouring Albert Luthuli Municipality, the ELM approached the latter municipality wherein Memorandum of Understanding was concluded for the provision of services on that land. ELM has already started with the township establishment processes for 40 erven. Application for electrification and water provision is on the cards.

ST. MICHEIL'S GOLF AND COUNTRY ESTATE

ELM concluded a public private partnership with the developer in terms of spatial layout of the estate which was included as a development node between Machadodorp and Belfast at an interval of 15 Kilometers. The objective of the KPA is to address the high rate of unemployment, the lack of middle to high income facilities and the provision of landing strip for tourists. It is

estimated that at least 500 temporary employees and 300 permanent households will directly benefit from the project.

COMMUNITY FACILITIES

SPECIAL PROJECTS INTRODUCED IN THE DELIVERY OF COMMUNITY FACILITIES DURING FY 2007/2008

UPGRADING OF SIYATHUTHUKA OLD CEMETERY IN BELFAST

To protect and safeguard its cemeteries, the Emakhazeni (Highlands) Municipality took a decision to upgrade the surrounding fence in one of its oldest cemeteries. The cemetery in question is about 570m² and is called Ekuphumuleni and is located in Siyathuthuka township, Belfast. The ordinary diamond mesh wire fence was replaced with a new steel palisade fence which is 645m long and 2m high.

The objective of this project was to add value to the cemetery and also minimize vandalism of tombstones which are caused by stray cattle's and goats. An amount of R 334,202 was spent out of the municipal capital investment fund and a private contractor was appointed to do the work. Even though the project was for two months (i.e. March – April) it has however managed to create 21 temporary jobs.

1. UPGRADING OF SAKHELWE STADIUM IN DULLSTROOM

To try and provide convenient sports and recreation facilities, the municipality continues with its mission to upgrade its sports facilities in the previously neglected areas.

In the past financial year, the municipality has invested an amount of R 430.223 to upgrade Sakhelwe stadium in Dullstroom. In this phase two project it included the following;

- Installation of prefab seats
- Completion of Caretakers house
- Replacements of damaged kerbing around pitch.

Funding for the project came from the municipal Infrastructure Grant (MIG) and a private contractor was appointed to execute the project. About eighteen (18) temporary personnel were appointed from June until September this year. The implementation of the project has indeed created a convenient environment for soccer players, spectators and cultural events.

ORGANIZATIONAL STRUCTURE

As an institution that is dynamic and that has been able to attract young professionals over the past two year, Emakhazeni has been able to transform itself into an employer of choice for the local community. The overall organizational structure has not changed in that there are still five (5) Departments, as per the organizational structure approved by Council on 28 October 2004 through the Municipality's Strategic Workshop held on 23 – 25 October 2005 in preparation for implementation during the 2005/2006 financial year: This organogram was further reviewed in March 2006 and further ratified by council in March 2007 for implementation in 2007/08. The Key departments are as follows:

Office of the Municipal Manager

Financial Services Department

Corporate Services Department

Technical Services Department

Community Services Department

OFFICE OF THE MUNICIPAL MANAGER

The municipal manager's office has been able to spearhead a number of LED projects aimed at benefiting the youth and women. Some of these projects are strawberry farm in Waterval Boven, Bakery in Emthonjeni and Coal Yard Project in Siyathuthuka. Furthermore, some women projects have been allocated land at the instance of the office of the municipal manager to do vegetable farming.

The office is also central to the facilitation of public participation programmes. To that end budget ad IDP meetings were organized and managed by the office. The major highlight of the year was the hosting the youth development summit held in January 2008 in which the young people of Emakhazeni took resolutions that will shape their own future.

FINANCIAL SERVICES DEPARTMENT

The Financial Services Department is responsible for Income, Expenditure, Budget and Supply Chain Management. During the 2007/2008 the Municipality managed to fill senior positions for the Deputy Manager Budget and Deputy Manager Supply chain, however also managed to perform the above functions effective and efficient.

CORPORATE SERVICES DEPARTMENT

The Corporate services is the department that continuously improves its governance by ensuring that an effective support service is available to line departments to promote a secured environment with sustainable development to promote service excellence. Therefore by ensuring best practice in human resource services along with ensuring sound Labour Relations and legal services, excellent general administration and Information Technology. The department has embarked on a number of support programmes within the Municipality in partnership with the department of labour in pursuit of Occupational health and Safety of our personnel. Councillors, ward committee members, Community development workers, Officials and SAMWU all participated in the strategic session held in Badplaas to plan and forge ahead with the strategic objectives taken and thus the implementation thereof.

TECHNICAL SERVICES DEPARTMENT

The Technical Services Department is responsible for Water, Sanitation, Electricity, Roads, Housing, Forestry, Property Administration, Building Inspection and General Public Works. During this financial year there were challenges faced by the municipality regarding the provision of the above services. This is with specific reference to the interruption of the electricity supply, continuous provision of clean water. Most of the challenges were attributed to the capacity of the existing infrastructure to cope with new property developments.

COMMUNITY SERVICES DEPARTMENT

Community Services Department prides itself in being the people centered service point of the municipality and in so doing truly encapsulates the spirit of a government committed to working for its people. In its mandate, community services department can be described as being in charge for:

- Reduction of vulnerability of the community - this is manifested in services such as fire services, law enforcement, poverty alleviation by way of establishing vegetable gardens and ensuring the water provided is of the approved standard.
- Promotion of a healthy environment - by way of provision of refuse collection, promoting a clean environment and provision of primary health care services, this is made patent.
- Lastly, the integration of society - is made evident by the department's ability to encourage and ensure ongoing development of sporting facilities and the usage thereof. The facilitation of naming and re-naming processes which in its nature strives for reconstruction was also made possible through this department.

These services were made possible by the putting together of competencies of personnel from Primary and Environmental Health, Public Safety as well as Social Development.

GENERAL

The Municipality recognizes the importance of investing in its human capital through carefully planned skills development initiatives and activities. It is succeeding in creating a learning organization by placing a significant value on education, training, and development of its workforce and by encouraging employees with level qualification to advance their skills and competency levels. Evidence to the above, the Municipality has had a number of promotions within to promote skills retention. With regards to ensuring sound labour relations the Municipality had a turnaround times for dealing with simple disciplinary cases decreased by 80%. To comply with Occupational health and safety, Safety representatives were appointed and trained, Health and Safety Committee was established.

EMPLOYMENT EQUITY

The Employment Equity Act dictates that all workplaces must promote equity in terms of gender, race and disability. However the challenge in the Municipality is that, people with disability do not apply when posts are available and another challenge is the accessibility of all Council's main facilities.

To redress the impediments, the department of labour came to inspect our premises and thus reminded that we are violating and not complying with the law. By employing people with disability the municipality will be promoting sensitivity towards disability and to manage stereotypes.

It is also important to note that targets for employment equity purposes are not set by department of labour. The Municipality determines for itself what targets it wants to meet and based on the strategic resolution taken in 2007, the Municipality set to appoint two (2) people with disabilities in its employ.

SKILLS DEVELOPMENT

The Municipality has submitted its WSP in the 2006/2007 financial year for the implementation in the 2007/2008 financial year. However training was conducted to address the skills gaps identified. The Annual Training Report was submitted with the training that took place during the 2007/2008 financial year. Grants were deposited by LGSETA for the training conducted. The Municipality through its skills interventions programme, it has tried to address the skills and competency needs of staff and Councillors, scarce skills needed by the Municipality to bridge the gap that is enormously evident and visible. The Municipality aims to strengthen the progress around skills development driven by programme priorities rather than compliance requirement of the Skills Development Act. A total number of 75 employees and 13 Councillors received training in different fields and an amount of R 558 916.67 was thus spent for skills development.

PERFORMANCE MANAGEMENT SYSTEM

The municipality continues to be a leader among its peers in that it takes its performance management system seriously. First, and foremost performance management has been institutionalized in that the municipality adopted a performance framework with balanced scorecard as a model that the municipality uses to gauge its performance. The balanced scorecard looks at three main perspectives, namely, resources management where it must be determined if the municipality is using its resources effectively and efficiently, development impact perspectives looks at whether the community members derive any benefits from the work of the municipality,

and services perspective which emphasizes on delivering sustainable services and finally the financial perspective which dictates that the municipality must be financially viable

Council is able to play its oversight role through monthly reports and quarterly reports that are submitted by administration and as result performance management is done on a monthly basis so that signs of non performance can be picked up early and corrected.

STAFFING

Function	Full-time	Part- time	Vacant	Total
Managerial positions	5	-	-	5
Electricity	1	-	3	4
Community Services	3	-	-	3
Health	10	1	6	16
Finance & Administration	26	5	14	45
Public Safety	8	3	6	17
Sport & Recreation	6	1	6	13
Waste Management	47	16	4	64
Waste water Man.	24	-	0	24
Water	16	-	0	16
Other	156	13	11	169
Total	302	38	50	390

SKILLS OR LEVEL OF EDUCATION

The skills or level of education attained by most of the professionals and other senior officials are – B degree and other tertiary qualifications. Most of the unskilled have no qualifications but others have Grade 12 to tertiary qualifications.

The following summaries the qualifications of Senior Managers:

MANAGERS	QUALIFICATION
Municipal Manager	B.A, Cert. Prog. In Mun. Dev. Exc. Leadership in Mun. Development, Public Fin. Management, Strat. Planning & Change Management, Prof registration (Inst. For local gov. Managers)
Manager Technical Services	National Dipl. Town & Regional Planning, BTEC in Town & Regional Planning, MSC in built environment, MA in Development Studies, Prof registration (Inst. For local gov. Managers), TRT (SA), Candidate Valuer (SA).
Manager Financial Services	National Dipl. In Internal Auditing, Prof registration (Inst. For local gov. Managers), Exec, Leadership in Mun. Development.
Manager Corporate Services	B.A(HED), Master's Diploma in Public Administration
Manager Community Services	B.A Social Work, Master's degree in Social Development

Trends on total personnel expenditure over the last 4 years, compared to the total budget

Year	Total personnel expenditure	Total budget	%
2005	17 539 050	46 972 225	37.34
2006	19 627 421	51 977 083	37.76
2007	23 227 672	52 414 901	44.32
2008	28 128 371	66 347 536	42.4

The reason for deviation with the norm of 35% is due to the allowed/affordable increase of the budget versus the percentage salary increases and urgent need of additional posts to improve service delivery. However, the situation is being monitored closely in the current year so that it is closer to the norm. In that regard the salary's budget is at 38% compared to the operational budget. This indicates that more money is allocated to service delivery.

Number and Name of Pension and Medical Aid Funds used by the Municipality

PENSION FUNDS - 6

- Municipal Employees Pension Fund
- Municipal Gratuity Fund
- Samwu Provident Fund
- SALA Pension Fund
- Municipal Workers Fund
- Municipal Councilors Pension Fund

MEDICAL AID - 6

- HOSMED
- BONITAS
- KEYHEALTH
- SAMWUMED
- LAMAF
- PROSANO

DISCLOSURES CONCERNING COUNCILLORS AND SENIOR OFFICIALS FOR THE PERIOD 1 JULY 2007 TO 30 JUNE 2008.

Description	Mayor	Executive Councillors (2 Members)	Municipal Manager	Chief Financial Officer	Other Senior Managers (3)	TOTAL
Salaries and Wages						
Normal	R245,655.55	R395,554.11	R260,617.15	R220,140.79	R700,026.25	R1,821,993.85
Overtime						
Contributions						
Pensions	R 36,848.40	R 59,333.04	R57,335.76	R48,431.04	R154,005.84	R355,954.08
Medical Aid	R 17,280.00	R 18,007.20	R20,282.40	R30,000.00	R27,252.00	R112,821.60
Other						
Allowances						
Travel and Motor	R109,388.04	R 82,041.00	R162,749.04	R138,445.20	R341,055.12	R833,678.40
Housing Benefits and Allowances	R 28,380.00	R 19,350.00			R 18,000.00	R65,730.00
Loans and Advances	N/A	N/A	N/A	N/A	N/A	
Arrears Owed to Municipality						
Include all arrears by Councillors and their spouse						
None of the Senior Managers is in arrears (Council).						

CHAPTER 4: AUDITED STATEMENTS AND RELATED FINANCIAL INFORMATION

During the period under review the financial statements were compiled before the prescribed due date (30 AUG 2007) and also submitted to the Auditor General for audit and review`. An unqualified audit report 2006/7 was received in November 2007 and approved by council. This outstanding outcome was precipitated by the initialization of the year end finance project "*Ukuba Phambill*" that managed this process with defined expected outcomes.

Annexure A attached hereto outlines the Municipality's Financial position as at 30 June 2007.



AUDITOR - G E N E R A L

The Municipal Manager
PO Box 17
Belfast
1100

25 November 2008

Reference: 02064REG07/08

Dear Mr O Nkosi

**REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS AND
PERFORMANCE INFORMATION OF EMAKHAZENI LOCAL MUNICIPALITY FOR THE
YEAR ENDED 30 JUNE 2008**

The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act, 2004 (Act No. 25 of 2004) read in conjunction with section 188 of the Constitution of the Republic of South Africa, 1996 and section 121(3) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

In terms of sections 121(3) and 127(2) of the MFMA municipalities have to include the audit report in the municipality's annual report for tabling within seven months after the end of the financial year.

Until tabled as required by section 127(2) the report is **not a public document** and should therefore be treated as **confidential**.

As your municipality will be responsible for publishing the attached audit report as part of the annual report, you are required to do the following:

- Submit the final printer's proof of the annual report (which includes the audit report) to the relevant audit manager of the Auditor-General for verification of the audit-related references before it is printed or copied. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
- The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.

Please notify the undersigned Business Executive well in advance of the date on which the audit report, or the annual report containing this audit report, will be tabled at the municipality.

Auditor-General Republic of South Africa www.agsa.co.za

Po Box 2684 Nelspruit 1200 Mpumalanga Docex 39 Tel: +27 (0) 13 755 4735/6/7/9 Fax: +27 (0) 13 755 4738



A U D I T O R - G E N E R A L

Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely

Signed



Business Executive: Mpumalanga

Enquiries: Assistance Poyo
Telephone: (013) 756 0816
Fax: (013) 756 0879
Email: assistancep@agsa.co.za

**REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE
AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION
OF THE EMAKHAZENI LOCAL MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2008**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Emakhazeni Local Municipality (municipality) which comprise the balance sheet as at 30 June 2008, income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages [xx] to [xx].

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the entity-specific basis of accounting, as set out in accounting policy note 1 and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), *Auditor-General audit circular 1 of 2007* and the Division of Revenue Act, 2007 (Act No. 1 of 2007) (DoRA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

6. An audit also includes evaluating the:
- appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The municipality's policy is to prepare financial statements on the entity-specific basis of accounting, as set out in accounting policy note 1.

Opinion

9. In my opinion the financial statements of the Emakhazeni Local Municipality as at 30 June 2008 and its financial performance and cash flows for the year then ended have been prepared, in all material respects, in accordance with the basis of accounting as set out in accounting policy note 1 and in the manner required by the MFMA and DoRA.

OTHER MATTER

Without qualifying my audit opinion, I draw attention to the following matter that relates to my responsibilities in the audit of the financial statements:

Matters of governance

10. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matter of governance	Yes	No
Audit committee		
• The municipality had an audit committee in operation throughout the financial year.		X
• The audit committee operates in accordance with approved, written terms of reference.		X
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.		X
Internal audit		
• The municipality had an internal audit function in operation throughout the financial year.		X
• The internal audit function operates in terms of an approved internal audit plan.		X
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.		X
Other matters of governance		
• The annual financial statements were submitted for audit as per the	X	

Matter of governance	Yes	No
legislated deadlines (section 126 of the MFMA).		
• The annual report was submitted to the auditor for consideration prior to the date of the auditor's report.	X	
• The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		X
• No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.	X	
• The prior year's external audit recommendations have been substantially implemented.	X	
Implementation of Standards of Generally Recognised Accounting Practice (GRAP)		
• The municipality submitted an implementation plan, detailing progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 30 October 2007.	X	
• The municipality substantially complied with the implementation plan it submitted to the National Treasury and the relevant provincial treasury before 30 October 2007, detailing its progress towards full compliance with GRAP.	X	
• The municipality submitted an implementation plan, detailing further progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 31 March 2008.	X	

OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

11. I have reviewed the performance information as set out on pages xx to xx.

Responsibility of the accounting officer for the performance information

12. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

Responsibility of the Auditor-General

13. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.

14. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

15. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings (performance information)

Non-compliance with regulatory requirements

16. Content of integrated development plan

The integrated development plan did not include the input, output and outcome indicators as required in terms of regulation 9(1)(a) of the Local Government: Municipal Planning and Performance Management Regulations, 2001.

17. Existence and functioning of a performance audit committee

The municipality did not appoint and budget for a performance audit committee, neither was another audit committee utilised as the performance audit committee, as required by regulation 14(2), (3) and (4) of the Local Government: Municipal Planning and Performance Management Regulations, 2001.

18. Internal auditing of performance measurements

The internal auditors of the municipality did not audit the performance measurements on a continuous basis and/or did not submit quarterly reports on their audits to the municipal manager and the performance audit committee.

Performance information not received in time

19. I was not able to complete an evaluation of the quality of the reported performance information as set out on pages xx to xx of the annual report, since the information was not received in time.

APPRECIATION

20. The assistance rendered by the staff of the municipality during the audit is sincerely appreciated.



Nelspruit

25 November 2008



A U D I T O R - G E N E R A L

EMAKHAZENI LOCAL MUNICIPALITY

FINANCIAL STATEMENTS

30 JUNE 2008



I am responsible for the preparation of these financial statements, which are set out on pages 1 to 26, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. These financial statements have not been audited

I certify that the salaries, allowances and benefits of Councilors as disclosed in note 12 & 13 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Revenue of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with the Act.

Municipal Manager

Date

GENERAL INFORMATION

MEMBERS OF THE EXECUTIVE MAYORAL COMMITTEE

Ms. L. Mohlala:	Chairperson Finance Portfolio
Mr. A.M. Mbethe:	Chairperson Technical Services
Ms. C. Motau:	Chairperson Corporate Services

GRADING OF LOCAL AUTHORITY

Grade	2
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AUDITORS

Auditor-General	Nelspruit Office
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BANKERS

First National bank
620 281 95510
Belfast, 1100

REGISTERED OFFICE

25 Scheepers Street Belfast, 1100	PO Box 17 Belfast, 1100 (013) 253 1121
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MUNICIPAL MANAGER

O.N Nkosi

CHIEF FINANCIAL OFFICER

B.L Mahlangu
IMFO LICENCE

COUNCIL MEMBERS

<u>Councillor</u>	<u>Ward</u>	<u>Designation</u>	
Ms. L. Mohlala	1	Executive Mayor	PR Member
Mr. X.S Ngwenya	6	Speaker	Ward Member
Mr. L.S. Meyer	1	Member	PR Member
Mr. F.G. Sibanyoni	1	Member	Ward Member
Ms. A.A. Botha	7	Member	PR Member
Ms. N.A. Mashele	5	Member	Ward Member
Mr. J.M. Mabila	2	Member	Ward Member
Ms. E.S. Radebe	3	Member	Ward Member
Ms. T.I. Soko	4	Member	Ward Member
Mr. M.U. Hadebe	4	Member	PR Member
Mr. T.E. Mahlangu	6	Member	PR Member
Mr. A.M. Mbethe	7	Member of Mayoral Committee	Ward Member
Ms. C. Motau	3	Member of Mayoral Committee	PR Member

APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on pages 13 to 26 were received by the Municipal Manager on 28 August 2008 and will be presented to and approved by the Council.

MUNICIPAL MANAGER

CHIEF FINANCIAL OFFICER'S REPORT

OVERVIEW:

During the 2007/2008 financial year, we have specifically designed projects in order to enhance financial viability and good corporate governance of the municipality. Each project was designed with clear targets, outcomes and completion dates:

Budget Software Project with computerise the budget process salaries, GFS classification of budget was completed, adjustment budget was done with this system. The budget software system has assistant the municipality in aligning the budget with IDP and SDBIP.

Asset Management Software, the municipality has acquired the BAUD system and GIS in this financial year. BAUD system is a computerised for movable and immovable asset management, the GIS system assist us in identifying immovable assets of the municipality and this system will also be used in compiling the new valuation roll in terms of Municipal Property Rates Act.

Cash Flow Management, during the 2007/2008 financial year, the municipality has established a cash flow management committee with deals with the cash flow review and service delivery and budget implementation issues

Financial System Upgrade (Munsoft 3i), an upgrade of the financial system was done in this financial year. The purpose of the upgrade was to enhanced data management, advanced reporting and modernised the financial system for reporting and the system will be able to do customise reports as per definition of the user via structured query language. This can conform to the National Treasury requirements or schedules.

Revenue Enhancement, this project was dedicated to the management of the long outstanding debtors and methods to enhance other revenue mechanism. We have appointed a Deputy Manager: Income and four additional clerks to manage primary

collection process, for the four towns. Data cleansing was also performed using the GIS (deeds office update) system.

Risk Report, In the current financial year (2007/2008) the municipality has develop and implemented a risk report in order to support, the going concern management system and enhances early warning management systems. It improve budget adherence, cost effective systems and enforces up to date and accurate oversight reporting that contains element of: macroeconomics review and current critical matters.

Ukuba Phambili, this is a procedure list defining year end procedures to ensure that we comply with Municipal Finance Management Act, other related laws and regulations matters, which has resulted in unqualified for the past two financial years.

Financial Mentoring, this project is aimed in empowering staff in the finance department with practical knowledge and it has assistant the municipality in improving on financial management as a results of this projects. It had also assistant in clearing unappropriated deposit, suspense account, review of financial policies, vehicle control management system and month end procedures.

1. OPERATING RESULTS

Details of the operating results per department, classification and object of expenditure are included in Appendices D and E. The overall operating results for the year ended 30 June 2008 are as follows:

INCOME	ACTUAL		VARIANCE 2007/2008
	2007	2008	
	R	R	%
Unappropriated Surplus - beginning of year	22,928,554.21	19,483,636.57	-15.02%
Operating (Deficit)/Surplus for the year	-3,444,917.00	-2,131,957.33	-38%
Unappropriated Surplus - end of year	19,483,637.21	17,351,679.24	-10.9%

DETAILED INCOME STATEMENT ANALYSIS APPENDIX E	ACTUAL	ACTUAL	SURPLUS/ (DEFICIT)	BUDGET	NETT
	INCOME	EXPENDITURE		SURPLUS/ (DEFICIT)	MOVEMENT
					ON BUDGET
	2007/8	2007/8	2007/8	2007/8	2007/8
	R	R	R	R	R
RATES & GENERAL SERVICES	40,969,402.98	47,038,928.91	-6,069,525.93	-7,278,297.00	-1,208,771.07
TRADING SERVICES	20,964,830.13	14,695,107.43	6,269,722.70	7,278,297.00	1,008,574.30
TOTAL	61,934,233.11	61,734,036.34	200,196.77	0.00	-200,196.77

ANALYSIS OF OPERATING INCOME AND EXPENDITURE APPENDIX D	ACTUAL	BUDGET	VARIANCE
	2007/8	2007/8	%
INCOME	61,934,233.08	72,827,046.00	85.04
EXPENDITURE	61,734,036.34	72,827,046.00	84.77

2. CAPITAL EXPENDITURE

Capital Expenditure on fixed assets during the year amounted to R8 552 119 (R8 770 550: 2007)

	ACTUAL 2007/8	BUDGET 2007/8	ACTUAL 2006/7	VARIANCE BUDGET/ACTUAL
	R	R	R	
Capital Expenditure	8,552,119	5,527,317	8,770,550	-55%
	8,552,119	5,527,317	8,770,550	

The resources used to finance the fixed assets were as follows:

	ACTUAL 2007/8	BUDGET 2007/8	ACTUAL 2006/7	VARIANCE BUDGET/ACTUAL
	R	R	R	
Contribution from Income	2,306,016	4,846,400	1,349,372	-55%
Loans	559,100	0	3,234,544	
Donations	5,687,002	680,917	4,186,634	
	8,552,118	5,527,317	8,770,550	

3. EXTERNAL LOANS, INVESTMENTS AND CASH

External loans outstanding amounted to R2 432 949 (VAT excl) as at 30 June 2008 (R3 182 403 in 2007) as set out in Appendix B. New loan from Wesbank were taken up as per Appendix B.

Grants and Subsidies totaling R15 960 545 (R18 829 178.00 in 2006) were received during the year.

Investments on 30 June 2008 amounted to R835 478 (R2 299 663 in 2006). Investments were reduced by R 1 464 185

More information regarding loans and investments is disclosed in notes 5 as well as Appendix B to the financial statements.

4. FUNDS AND RESERVES

More information regarding the funds and reserves is disclosed in notes 1 and 2 as well as Appendix A to the financial statements.

5. PROVISIONS

The following provisions were increased in the 2007/08 financial year.

	2006/2007	2007/2008	Nett Increase
Provision Leave Pay :	R 1,679,696	R 1,815,109	R 135,413
Provision for Bad Debts :	R 15,023,150	R 15,866,279	R 843,129

6. EXPRESSION OF APPRECIATION

I am grateful to the Executive Mayor, Members of the Executive Committee, Councillors, the Municipal Manager, Heads of Department and the staff of the Finance Department for their support and assistance in the preparation of these financial statements.

7. POST BALANCE SHEET EVENTS

No material matters in this regard can be reported.

MR. BL MAHLANGU
CHIEF FINANCIAL OFFICER

ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

- 1.1** The annual financial statements have been prepared so as to confirm with the standards laid down by the Institute for Municipal Financial Officers in the Code of Practice (1997) and the Report of Annual Financial Statements (2nd edition, January 1996)
- 1.2** The financial statements are prepared on the historical cost basis, adjusted for fixed assets expenditure as more fully detailed in note 2. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.
- 1.3** The financial statements are prepared on the accrual basis:
- income is accrued when collectable and measurable levy income is accrued when received
 - expenditure is accrued in the year it is incurred

2. FIXED ASSETS

2.1 Fixed Assets are stated:

- ✓ All movable property determined to be on site at 30 June 2008 will be regarded as purchased or acquired on 1 July 2008, and taken on into the BAUD system on that date as the date of purchase or acquisition WITH THE EXCEPTION OF items purchased between 1 July 2007 and 30 June 2008 which were taken on at the dates of acquisition.
- ✓ All moveable property determined to be on site at 30 June 2008 will be valued on fair value as on 1 July 2008, and taken on into the BAUD system on that date as the fair value of purchase or acquisition.
- ✓ All moveable property determined to be on site at 30 June 2008 and purchased between 1 July 2007 and 30 June 2008 will be valued on actual cost as on date of purchase between 1 July and 30 June 2008 and were taken on into the BAUD system on that date as the fair value of purchase or acquisition.

2.2 Depreciation:

The balance shown against the heading "loans redeemed and other capital receipts" in the notes to the balance sheet is that amount to a provision for depreciation, however, certain structural differences do exist. By way of the "provision" assets are written down over their estimated useful life. Apart from advances from the various Council Funds assets may also be acquired through:

- Appropriations from income, where the full cost of the asset forms an immediate and direct charge against the operating income and it is therefore unnecessary to make any further provision for depreciation.

- Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "loans redeemed and other capital receipts" account.

2.3 Sale of fixed property

All net proceeds from the sale of fixed property are credited to the Land Trust Fund.

Net proceeds from the sale of all other assets are credited to the Capital Development Fund.

2.4 Financing

Fixed assets are financed from different sources including external loans, operating income, endowments and internal advances.

These loans and advances are repaid within the estimated lives of the assets acquired from such loans and advances. Interest is charged to the services concerned at the ruling interest rate applicable at the time the advance is made.

3. INVENTORY

In general, inventory held by local authorities will be of a consumable nature, i.e stores inventory used for general repairs and maintenance as well as on capital construction projects.

4. FUNDS AND RESERVES

4.1 Consolidated Capital Development Fund

The Local Authorities Capital Development Fund Ordinance Number 9 of 1978 requires a minimum contribution of 1% of the defined revenue of the council for the immediate preceding financial year. The council's contribution to the Capital Development Fund for the financial year 2006/2007 amounted to R 58 730.

5. TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

The cost of internal support services is transferred to the various services.

6. LEASED ASSETS

Fixed assets held under finance leases are capitalized. Such assets are effectively amortised over the term of the lease agreement.

- Lease finance charges are allocated to the accounting periods over the duration of the leases, by the effective interest rate method, which reflects the extent and cost

- of lease finance utilised in each accounting period.
- All other leases are treated as operating leases and the relevant rentals are charged to the operating account in a systematic manner relating to the period of use of the assets concerned.

7. INVESTMENTS

Investments are shown at a lower of cost or market value if a permanent decline in the value occurred and funds are invested in accordance with Section 125 of the Local Authorities Ordinance 1974 (No. 25 of 1974)

8. PROVISION BAD DEBTS

We are guided by IAS37 (AC130); IFRIC 5 (AC138); ED204 and IFRIC 6 (AC439) that cover Provisions, Contingent Liabilities and Contingent Assets. According to this method we have determined that:

- Long outstanding debts amounting to R 8,447,361.75 were directly attributed to clients who were now after research classified as indigents.
- Long outstanding debts amounting to R 2,815,214.86 were attributed to data cleansing errors to be corrected.
- Long outstanding debts amounting to R 4,603,702.39 were attributed to known clients who according to our expectations will be unable to pay the outstanding amounts.

9. INCOME RECOGNITION

8.1 Water Billing

Meters are read on a monthly basis and are billed accordingly after the monthly levy run and if there are any variances, it is then corrected by doing an adjustment to the affected account the month after it occurred.

8.2 Electricity Billing

Meters are read on a monthly basis and are billed accordingly after the monthly levy run and if there are any variances, it is then corrected by doing an adjustment to the affected account the month after it occurred.

8.3 Assessment Rates

General rates are levied based on the property value.



BALANCE SHEET

AS AT

30 JUNE 2008

		30-06-2007	30-06-2008
	Note	R	R
CAPITAL EMPLOYED:			
Funds & Reserves		12,619,764	13,087,659
Statutory funds	1	11,669,294	13,087,659
Reserves	2	950,470	-
(Accumulated Deficit)			
Unappropriated Surplus	11	19,483,637	17,351,680
		32,103,401	30,439,339
Long Term Liabilities	3	2,193,121	2,432,949
Consumer Deposits	9	988,959	1,035,223
		35,285,481	33,907,511
EMPLOYMENT OF CAPITAL:			
Fixed Assets	4	4,212,002	4,203,949
		4,212,002	4,203,949
NET CURRENT ASSETS:		31,073,479	29,703,562
Current Assets:		53,679,900	56,719,866
Inventory	20	229,575	455,313
Debtors	6	51,145,827	55,424,240
Cash on hand		4,835	4,835
Short Term Investments	5	2,299,663	835,478
Bank Account		-	-
Current Liabilities:		(22,606,421)	(27,016,304)
Provisions	7	1,679,696	1,815,109
Short-term portion of Long Term Liabilities	3	989,281	741,401
Cashbook balance		1,744,371	3,610,907
Creditors	8	18,193,073	20,848,887
		35,285,481	33,907,511



INCOME STATEMENT
for the year ended
30 JUNE 2008

2006/07 ACTUAL INCOME	2006/07 ACTUAL EXPENDITURE	2006/07 SURPLUS/ (DEFICIT)		2007/08 ACTUAL INCOME	2007/08 ACTUAL EXPENDITURE	2007/08 SURPLUS/ (DEFICIT)	2007/08 BUDGET SURPLUS/ (DEFICIT)
R	R	R		R	R	R	R
35,515,995	36,762,247	(1,246,252)	RATES & GENERAL SERVICES	40,969,403	47,038,929	(6,069,526)	(7,278,297)
27,323,691	27,218,277	105,414	Community Services	33,156,439	36,325,936	(3,169,498)	(3,416,231)
397,078	3,372,131	(2,975,053)	Susidised Services	3,651,919	7,118,973	(3,467,053)	(4,399,972)
7,795,226	6,171,839	1,623,387	Economic Services	4,161,045	3,594,020	567,025	537,906
-	-	-	Housing Services	-	-	-	-
22,771,925	15,652,654	7,119,271	Trading Services	20,964,830	14,695,107	6,269,723	7,278,297
58,287,920	52,414,901	5,873,019	TOTAL	61,934,233	61,734,036	200,197	0
		(9,317,936)	Appropriations for the year (refer to note 11)			(2,332,154)	
		(3,444,917)	Net Surplus for the year/ (Deficit for the year)			(2,131,957)	
		22,928,554	Unappropriated Surplus/ (Deficit) at the beginning of			19,483,637	
		19,483,637	Unappropriated Surplus/ (Deficit) at the end of the			17,351,679	



CASHFLOW STATEMENT

for the year ended
30 JUNE 2008

	30-06-2007	30-06-2008
Cash retained from operations:	(5,552,802)	2,716,418
Cash generated by operations	14 (355,116)	4,345,712
Investment income	10 544,867	430,233
(Increase)/Decrease in operating capital	15 (5,696,730)	(1,576,334)
	(5,506,979)	3,199,611
Less:		
Interest paid	10 (45,823)	(483,193)
Cash Utilised in Investment Operations - Fixed Assets	4 (4,583,916)	(2,306,016)
	(10,136,718)	410,402
Cash effect of financing operations:		
Increase/(Decrease) in long term loans	16 3,145,521	(8,053)
(Increase)/Decrease in cash investments	17 8,215,336	1,464,185
(Increase)/Decrease in cash	18 (1,224,139)	(1,866,534)
	10,136,718	(410,402)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008



1. ACCUMULATED FUNDS:

Capital Development Fund	7,956,342	8,015,073
Land Trust Fund	3,712,952	5,072,586
(Refer Appendix A)	11,669,294	13,087,659

2. RESERVES

Maintenance	709,699	0
MHR Fly Fishing Park	240,771	0
(Refer Appendix A)	950,470	0

3. LONG TERM LIABILITIES:

Annuity Loans	0	0
Wesbank Loans	3,182,402	3,174,350
	3,182,402	3,174,350
Less: Short-term portion	989,281	741,401
(Refer Appendix B)	2,193,121	2,432,949

4. FIXED ASSETS:

Fixed assets at the beginning of the year	88,049,865	96,820,415
Capital expenditure during the year	8,770,550	8,552,118
Contribution ex operating income	1,349,372	2,306,016
Funded through loans	3,234,544	559,100
General Capital-ward 2/District: Nkangala	4,186,634	5,687,002
Less:		
Assets written off, transferred or disposed of during the year	0	0
TOTAL FIXED ASSETS	96,820,415	105,372,533
Less:		
Loans redeemed and other capital receipts	(92,608,413)	-101,168,584
Unrealised housing charges	0	0
NET FIXED ASSETS	4,212,002	4,203,949

(Refer to Appendix C)

5. SHORT TERM INVESTMENTS:

Unlisted	0	0
External		
<i>Inv FNB 62076419508</i>		
Opening balance	263,007	263,007
Post Year Event	0	-80,650
Closing balance	263,007	182,357
<i>Inv FNB 74006889065</i>		
Opening balance as Financial Statements	45,091	1,810,230
Post Year Event	0	-6,010
Opening Balance as Bankstatement	0	1,804,220
Closing balance	1,810,230	104,653
<i>Inv FNB 61165004600</i>		
Opening balance	1,766,007	226,426
Closing balance	226,426	403,407
<i>Inv FNB 62178430212</i>		
Opening balance	0	0
Closing balance	0	145,061
TOTAL INVESTMENTS	2,299,663	835,478

Local Authorities are required to invest funds which are not immediately required with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investment at a penalty rate to meet commitments

6. DEBTORS:

Consumer Debtors	48,305,077	52,683,504
Sundry Debtors	3,971,135	1,950,878
Grants spent not yet received	7,175,827	5,506,497
Less: Provision for bad debts	(15,023,150)	-15,866,278
VAT	6,716,938	11,149,639
	51,145,827	55,424,240

7. PROVISIONS:

Leave	1,679,696	1,815,109
General Valuation	0	0
Election Costs	0	0
Audit Fees	0	0
	1,679,696	1,815,109

8. CREDITORS:

<i>Trade Creditors:</i>	2,518,867	0
<i>Unspent Grants</i>	4,283,612	3,620,640
Drought Relief	308,363	0
People's Housing Project	300,000	0
Dullstroom/Sakhelewe	1,144,707	0
LED: 147 Waterval Boven	9,294	0
LED: 089 Dullstroom	433,843	0
Informal Market: Mach	21,185	0
Siyathuthuka: Housing	867,178	0
LED: 091 Fly Fishing	540,149	0
Transitional Grant 2	23,386	0
Municipal Support	211,532	0
Draught Relief Funds	306,648	0
Upgrading Emthonjeni	11,341	0
MIG Funds Expenses	0	3,316,796
Housing Project 2005	0	138,522
DME Funds 2007/2008	0	58,133
Highland Gate (New)	0	221
TMT: Project	0	106,968
Upgrading Siyathuthuka	105,985	0
<i>Grants received in Advance</i>	0	355,000
<i>Debtors received in Advance</i>	0	974,157
VAT	8,399,257	13,305,542
<i>Unallocated receipts</i>	2,094,781	2,468,565
<i>Sundry</i>	896,556	124,983
	18,193,073	20,848,887

9. CONSUMER DEPOSITS

Electricity & Water	988,959	1,035,223
Sundry Deposits	0	0
	988,959	1,035,223

10. FINANCING TRANSACTIONS:

Interest : Earned (External)	544,867	430,233
Interest : Paid (External)	(45,823)	-483,193
	499,044	-52,960

11. APPROPRIATIONS:**Appropriation Account:**

Unappropriated Surplus at the beginning of the year	22,928,554	19,483,637
Operating Surplus/(Defecit) for the year	5,873,019	200,197
Prior year adjustment	(9,317,936)	-2,332,154
	19,483,637	17,351,680

12. COUNCILLORS REMUNERATION

Mayor's allowance	492,407	451,952
Full-time Councillors	1,138,473	1,258,039
Councillor's allowance	1,172,718	865,046
Councillor's Pension Fund Contributions	213,729	188,706
Total Including Back Pay :	3,017,327	2,763,743
Back Pay	544,144	0
Total Excluding Back Pay :	2,473,183	2,763,743

Actual increase equals 6%. Recommended increase of 6%.

13. REMUNERATION OF SECTION 57 EMPLOYEES

	Municipal Manager	Chief Finance Officer	Other Section 57 Managers
Salaries	269,071	220,141	707,321
Contributions to Pension, UIF and Medical Aid Funds	80,663	49,926	176,388
Motor and Travelling allowances	152,749	138,445	345,047
Other Allowances	0	30,000	123,580
	502,483	438,512	1,352,336

14. CASH GENERATED BY OPERATIONS:

Surplus / (Deficit) for the year	5,873,019	200,197
Adjusted for:		
Statutory funds provisions and reserves	(1,192,420)	5,581,581
Contributions to bad debt provision	4,781,265	843,129
Interest income	(544,867)	-430,233
Prior year adjustment	(9,317,936)	-2,332,154
Interest paid	45,823	483,193
	(355,116)	4,345,712

15. Operating surplus before working capital changes		
(Increase) / Decrease in Debtors	(13,884,300)	-4,278,413
(Increase) / Decrease in other Debtors	0	0
(Decrease) / Increase in conditional grants and receipts	0	0
(Decrease) / Increase in Deposits	31,741	46,264
(Decrease) / Increase in Creditors	8,155,829	2,655,814
	<u>(5,696,730)</u>	<u>-1,576,334</u>
Cash Generated by Operations	<u>(6,051,845)</u>	<u>2,769,380</u>
16. INCREASE/(DECREASE) IN LONG TERM LOANS (EXTERNAL):		
Loans Raised	3,234,543	559,100
Loans Repaid	(89,022)	-567,153
(Refer to Appendix B)	<u>3,145,521</u>	<u>-8,053</u>
17. (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS:		
Investments Made	8,215,336	1,464,185
	<u>8,215,336</u>	<u>1,464,185</u>
18. (INCREASE)/DECREASE IN CASH:		
Cash balance at the beginning of the year	(520,232)	-1,744,371
Less: Cash balance at the end of the year	<u>(1,744,371)</u>	<u>-3,610,906</u>
	<u>1,224,139</u>	<u>1,866,535</u>
19. CAPITAL DEVELOPMENT FUND		
Outstanding advances to borrowing services:-		
Accumulated Fund	7,956,342	8,015,073
Less: External Investments	(6,383,855)	-6,442,586
(Refer to Appendix A and B for more detail)	<u>1,572,487</u>	<u>1,572,487</u>
20. SHORT TERM ASSETS		
Inventory	229,575	455,313
	<u>229,575</u>	<u>455,313</u>
21. BANK CASH AND OVERDRAFT BALANCES		
Cheque account (Primary Bank Account)		
First National Bank - Belfast		
Account nr: 62028195510		
Opening balance cashbook at the beginning of the year	(520,232)	-1,744,371
Closing balance cashbook at the end of the year	<u>(1,744,371)</u>	<u>-4,486,970</u>
System rollover on cashbook	0	876,063
Nett effect: Closing balance cashbook at the end of the year	<u>(1,744,371)</u>	<u>-3,610,906</u>
Bank Statement balance at beginning of the year	235,186	339,494
Bank Statement balance at the end of the year	<u>339,494</u>	<u>262,576</u>
PETTY CASH		
Balance at beginning of the year	4,660	4,835
Balance at the end of the year	<u>4,835</u>	<u>4,835</u>
22. SUMMARY OF DEBTORS BY CUSTOMER CLASSIFICATION		
Current	2,144,868	2,476,183
30 days	(1,260,647)	1,407,216
60 days	2,234,057	201,515
90 days	1,162,128	983,864
120 days	1,012,332	956,564
150 days and over	43,014,537	45,642,603
Total Consumer debtors	<u>48,307,275</u>	<u>51,667,944</u>
23. GOVERNMENT GRANTS AND SUBSIDIES		
Municipal Systems Information Grant (MSIG)	734,000	734,000
Financial Management Grant (FMG)	500,000	1,500,000
National Energy Regulator Grant (NER)/(DME)	3,000,000	3,638,693
Municipal Infrastructure Grant (MIG)	3,552,128	6,157,698
Total Grants received excluding Equitable Share	<u>7,786,128</u>	<u>12,030,391</u>
24. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
AUDIT FEES		
Opening balance	1,345,293	0
Current year	(1,345,293)	705,840
Amount paid current year	0	-705,840
Amount paid previous year	0	0
Total	<u>0</u>	<u>0</u>
TAXES, LEVIES, DUTIES, PENSION AND MEDICAL AID CONTRIBUTION		
No amounts outstanding can be reported of on 30 June 2008.		
CONTINGENT LIABILITY		
No contingent liabilities can be reported on 30 June 2008.		
CAPITAL COMMITMENTS		
No capital commitments can be reported on 30 June 2008.		
25. IRREGULAR EXPENDITURE		
For the undermentioned service providers all the correct supply chain management procedures were adhered to except that no formal contracts were entered into, and between the contracting parties		
Opening Balance	0	3,817,389
BTW Consulting	215,175	0
Sitasive Trading	146,668	0
ZMC Projects	284,325	0
Malesela T & D	2,668,208	0
Lidwaba Design & Mangement	165,573	0
Denocro Pumps Pty	337,440	0
Penalty Charges: Penalties paid on Investment Account for eary releases	0	5,786
Fruitless Expenditure: Interest paid on late payments made	0	1,954
Closing balance	<u>3,817,389</u>	<u>3,825,129</u>



EMAKHAZENI LOCAL MUNICIPALITY
ACCUMULATED FUNDS, RESERVES, PROVISIONS & TRUST FUNDS
30 JUNE 2008

	BALANCE AT 2007-06-30	CONTRIBUTIONS DURING THE YEAR	INTEREST ON INVESTMENT	OTHER INCOME	OPERATING EXPENDITURE DURING THE YEAR	CAPITAL EXPENDITURE DURING THE YEAR	BALANCE AT 2008-06-30
	R	R	R	R	R	R	R
1. Statutory Funds							
Capital Development Fund	7,956,342	58,731	0	0	0	0	8,015,073
Land Trust Fund	3,712,952	0	0	1,359,634	0	0	5,072,586
							13,087,659
Reserve Funds							
Maintenance Electricity	83,025	0	0	0	83,025	0	0
Maintenance Water	283,821	0	0	0	283,821	0	0
Maintenance Sewerage	142,901	0	0	0	142,901	0	0
Maintenance General	199,952	0	0	0	199,952	0	0
MHR Fly Fishing Park	240,771	0	0	0	240,771	0	0
							0
Provisions							
Provision for Bad Debts	15,023,150	843,129	0	0	0	0	15,866,279
Provision for Leave Pay	1,679,696	378,931	0	0	243,518	0	1,815,109
							17,681,389
Sub-Total	29,322,610	1,280,791	0	1359634	1,193,988	0	30,769,048



EMAKHAZENI LOCAL MUNICIPALITY
EXTERNAL LOANS AND INTERNAL ADVANCES
30 JUNE 2008

Date Issued	Current Fin. Institution	Interest Rate	Original Amount	Maturity / Redeemable	Balance at 30 June 2007	Received during the year	Redeemed or Written off during the year	Balance at 30 June 2008
External Loans					R	R	R	R
03 May 2007	WESBANK: POB00041A	12.50	151,500.00	02 May 2012	170,623	0	26,214.30	144,408.74
04 May 2007	WESBANK: POB00042X	12.50	151,500.00	03 May 2012	170,624	0	26,151.00	144,473.28
16 April 2007	WESBANK: POB00034X	12.50	450,000.00	10 April 2012	500,394	0	77,205.25	423,188.88
16 April 2007	WESBANK: POB00033A	12.50	450,000.00	10 April 2012	500,394	0	77,205.25	423,188.88
16 April 2007	WESBANK: POB00032B	12.50	338,000.00	10 April 2012	375,861	0	58,098.00	317,762.59
16 April 2007	WESBANK: POB00031E	12.50	338,000.00	10 April 2012	375,861	0	58,098.00	317,762.59
18 June 2007	WESBANK: POB00060T	12.50	559,100.00	10 June 2012	637,374	0	93,692.43	543,681.57
17 May 2007	WESBANK: POB00046L	12.50	614,789.00	10 May 2012	692,271	0	104,107.89	588,163.46
04 May 2007	WESBANK: POB00044T	12.50	90,827.00	03 May 2012	102,279	0	15,884.58	86,394.43
04 May 2007	WESBANK: POB00045S	12.50	90,827.00	03 May 2012	102,279	0	15,884.58	86,394.43
18 June 2007	WESBANK: POB00059B	12.50	559,100.00	10 June 2012	0	637,374	94,013.10	543,360.90
Total Vat inclusive:					3,627,960	637,374	646,554	3,618,780
VAT					445,557	78,274	79,401	444,430
Total Vat exclusive:					3,182,403	559,100	567,153	3,174,350



EMAKHAZENI LOCAL MUNICIPALITY
ANALYSIS OF FIXED ASSETS
30 JUNE 2008

Expenditure	SERVICE	Budget	Balance at	Expenditure	Written off, transferred or disposed of during the year	Balance at
2007		2007/2008	30-06-2007	2007/2008		30-06-2008
5,772,540	RATES & GENERAL SERVICES:	5,104,132	62,233,545	5,635,625	0	67,869,169
4,331,234	COMMUNITY SERVICES:	4,765,208	33,448,784	3,624,205	0	37,072,989
-	Assessment	0	0	0	0	0
1,286	Health Services	0	107,084	0	0	107,084
-	Forestry	0	12,500	0	0	12,500
303,000	Public Works	213,695	21,236,953	0	0	21,236,953
51,562	Management Services/Administration	0	391,300	0	0	391,300
1,119,806	Council's General	4,170,000	6,542,774	2,071,990	0	8,614,763
925,971	Planning, Environment & Housing	48,114	1,364,415	1,417,417	0	2,781,832
1,775,436	Economic and Social Services	176,400	1,793,004	12,985	0	1,805,989
62,441	Municipal Manager	55,000	185,915	33,340	0	219,255
91,732	Finances/Treasurer	102,000	624,640	88,473	0	713,112
-	Town Clerk	0	480	0	0	480
-	Town Estate	0	628,034	0	0	628,034
-	Workshop	0	368,805	0	0	368,805
-	Cemetery	0	190,972	0	0	190,972
-	Registration Authority	0	0	0	0	0
-	Stores	0	1,908	0	0	1,908
140,498	SUBSIDIZED SERVICES:	143,000	8,089,678	19,058	0	8,108,736
-	Market	0	451,116	0	0	451,116
-	Library	0	42,118	0	0	42,118
-	Fire Protection	0	15,777	0	0	15,777
140,498	Traffic	18,000	413,230	14,809	0	428,039
-	Civil Building	120,000	4,379,647	0	0	4,379,647
-	Abattoir	0	0	0	0	0
-	Sport & Recreation	0	2,528,069	0	0	2,528,069
-	Parks & Pavements	5,000	194,874	4,249	0	199,123
-	Swimming Pool	0	64,847	0	0	64,847

Expenditure	SERVICE	Budget	Balance at	Expenditure	Written off, transferred or disposed of during the year	Balance at
2007		2007/2008	30-06-2006	2006/2007		30-06-2006
1,300,808	ECONOMICAL SERVICES:	195,924	20,695,083	1,992,361	0	22,687,445
559,100	Cleansing	170,856	943,578	258,330	0	1,201,908
-	Licencing	0	0	0	0	0
-	Holiday Resort	0	0	0	0	0
741,708	Sewerage	25,068	19,751,505	1,734,032	0	21,485,536
2,998,010	TRADING SERVICES:	423,185	34,586,870	2,916,494	0	37,503,364
2,998,010	Electricity	0	15,886,823	377,028	0	16,263,851
	Water	423,185	18,700,047	2,539,467	0	21,239,513
-	HOUSING:	0	0	0	0	0
-	Housing	0	0	0	0	0
8,770,550	TOTAL FIXED ASSETS	5,527,317	96,820,415	8,552,119	0	105,372,533
LOANS REDEEMED AND OTHER CAPITAL RECEIPTS:			92,608,413	8,560,171	0	101,168,584
Loans redeemed & Advances			92,608,413	8,560,171	0	101,168,584
Contribution ex operating income			3,191,333	567,153	0	3,758,486
General Capital-ward 2/District: Nkangala			11,217,748	2,306,016	0	13,523,764
General Capital			4,292,191	5,687,002	0	9,979,193
Donations			68,369,857	0	0	68,369,857
			5,537,284	0	0	5,537,284
NET FIXED ASSETS			4,212,002	-8,051	0	4,203,949



EMAKHAZENI LOCAL MUNICIPALITY
ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED
30 JUNE 2008

2007		2008	2008
ACTUAL		ACTUAL	BUDGET
R		R	R
INCOME			
18,829,178	Grants and subsidies	15,960,545	15,961,000
6,515,808	Assessment Rates	10,272,274	8,514,128
12,899,888	Sale of Electricity	13,866,973	16,076,395
6,507,489	Sale of Water	6,875,767	6,322,833
3,646,228	Refuse Removal Services	3,433,399	3,432,447
4,102,779	Sewerage Services	4,145,246	4,013,668
5,786,550	Other Income	7,380,029	18,506,575
58,287,920		61,934,233	72,827,046
EXPENDITURE			
23,227,672	Wages and allowances	25,899,386	26,136,155
24,787,189	General Expenses:	28,277,612	34,614,109
-	* Bulk water purchases	-	-
6,999,134	* Bulk electricity purchases	8,060,486	8,987,348
17,788,055	* Other general expenses	20,217,126	25,626,761
-	General Expenses not classified	-	-
3,004,845	Repairs and maintenance	4,200,676	6,092,611
45,823	Capital Charges	1,050,346	1,137,771
1,349,372	Contributions to Fixed Assets	2,306,016	4,846,400
-	Contributions to Funds	-	-
52,414,901	Gross Expenditure	61,734,036	72,827,046
-	Less: Amounts charged out	-	-
52,414,901	Net Expenditure	61,734,036	72,827,046



**EMAKHAZENI LOCAL MUNICIPALITY
DETAILED INCOME STATEMENT
for the year ended
30 JUNE 2008**

2007	2007			2007/08	2007/08	2007/08	2007/08
ACTUAL INCOME	ACTUAL EXPENDITURE	(DEFICIT)		ACTUAL INCOME	ACTUAL EXPENDITURE	SURPLUS/ (DEFICIT)	BUDGET SURPLUS/ (DEFICIT)
R	R	R		R	R	R	R
35,515,995	36,762,247	(1,246,252)	RATES & GENERAL SERVICES	40,969,403	47,038,929	(6,069,526)	(7,278,297)
27,323,691	27,218,277	105,414	COMMUNITY SERVICES	33,156,439	36,325,936	(3,169,498)	(3,416,231)
6,515,808	-	6,515,808	Assessment Rates	10,272,274	0	10,272,274	8,514,128
26,222	175,670	(149,448)	Cemetery	39,580	186,009	(146,429)	(166,717)
-	67,620	(67,620)	Forestry	280,000	418	279,582	(293,817)
5,626	616,518	(610,892)	Social Development	10,916	1,813,625	(1,802,709)	(2,282,466)
427,000	1,629,268	(1,202,268)	Health Services	73	1,477,235	(1,477,161)	(1,208,708)
2,818,068	5,172,448	(2,354,380)	Public Works	128,322	4,513,577	(4,385,255)	(4,360,655)
-	254,547	(254,547)	Urban Development	1,461,198	462,584	998,614	3,169,237
417,193	6,030,905	(5,613,712)	Council's General *	851,429	6,811,828	(5,960,399)	(6,201,689)
-	2,998,116	(2,998,116)	Administration / Management Services	-	4,116,901	(4,116,901)	(4,986,833)
13,124,540	3,143,828	9,980,712	Municipal Manager	15,396,545	3,861,500	11,535,045	11,045,134
651,256	4,309,792	(3,658,535)	Finance / Treasurer Finance	510,783	6,404,358	(5,893,575)	(4,346,790)
3,337,978	2,479,578	858,400	Traffic & Licencing	4,205,319	4,036,705	168,614	476,515
-	339,461	(339,461)	Workshop	0	304,262	(304,262)	(280,563)
-	-	-	Town Secretary	0	0	0	0
-	525	(525)	Stores	0	2,336,934	(2,336,934)	(2,493,007)
397,078	3,372,131	(2,760,672)	SUBSIDISED SERVICES	3,651,919	7,118,973	(3,467,053)	(4,399,972)
0	0	0	Library	0	0	0	0
14,351	320,712	(306,361)	Parks Chalets	13,873	357,409	(343,536)	(343,239)
30,860	175,948	(145,088)	Cleansing Service	40,213	134,538	(94,325)	(124,162)
3,647,278	3,287,809	359,469	Fire Services	3,468,470	3,733,364	(264,894)	(977,087)
0	193,420	(193,420)	Civil Buildings	431	240,601	(240,170)	(416,754)
381,459	601,336	(219,877)	Swimming Pool	128,279	36,266	92,013	103,140
165	17,717	(17,552)	Parks & Pavements & Grounds	79	9,848	(9,769)	(12,680)
1,103	2,238,947	(2,237,844)		574	2,606,947	(2,606,373)	(2,629,190)

2006	2006	2006		2007	2007	2007	2007
ACTUAL INCOME	ACTUAL EXPENDITURE	SURPLUS/ (DEFICIT)		ACTUAL INCOME	ACTUAL EXPENDITURE	SURPLUS/ (DEFICIT)	BUDGET SURPLUS/ (DEFICIT)
R	R	R		R	R	R	R
7,795,226	6,171,839	1,409,006	ECONOMICAL SERVICES	4,161,045	3,594,020	567,025	537,906
4,117,088	2,708,082	1,409,006	Sewerage	4,161,045	3,594,020	567,025	537,906
-	-	-	HOUSING SERVICES	0	0	0	0
-	-	-	Housing	0	0	0	0
22,771,925	15,652,654	7,119,271	TRADING SERVICES	20,964,830	14,695,107	6,269,723	7,278,297
16,172,511	12,536,711	3,635,799	Electricity	14,049,164	11,145,430	2,903,734	4,500,660
6,599,414	3,115,943	3,483,471	Water	6,915,666	3,549,678	3,365,989	2,777,637
<u>58,287,920</u>	<u>52,414,901</u>	<u>5,873,019</u>	TOTAL	<u>61,934,233</u>	<u>61,734,036</u>	<u>200,197</u>	<u>0</u>
		(9,317,936)	Appropriations for the year			(2,332,154)	
		<u>(3,444,917)</u>	Net Surplus / (Deficit) for the year			<u>(2,131,957)</u>	
		22,928,554	Unappropriated Surplus / (Deficit) at the beginning of the year			<u>19,483,637</u>	
		<u><u>19,483,637</u></u>	Unappropriated Surplus / (Deficit) at the end of the year			<u><u>17,351,679</u></u>	



EMAKHAZENI LOCAL MUNICIPALITY
for the year ended
30 JUNE 2008

APPENDIX F

STATISTICAL INFORMATION	2007	2008
ELECTRICITY		
Number of consumers (Commercial & Residential)	7,806	8,006
Units bought ('000 kWh) per annum	39,403,861	43,731,811
Cost per unit bought ®	0.23c	0.21c
Units generated by municipality ('000 kWh) per annum	0	0
Cost per unit generated ®	0	0
Units sold	22,701,897	22,702,509
Cost per unit sold	0.57c	0.57c
Units lost in distribution ('000 kWh) per annum	0	0
Units distributed as a free basic service ('000 kWh) per annum	677,240	2,368,080
Number of pre-paid meters installed	5,443	6,449
WATER		
Number of consumers (Commercial & Residential)	10,750	10,773
Units sold	3,897,093	3,079,024
Cost per kl sold	R 1.66	R 2.71
Units distributed as a free basic service kl per annum	771,870	686,649
SEWERAGE AND SANITATION		
Number of consumers	11,601	11,630
Flush toilets connected to a public sewerage system	9,249	9,294
GENERAL STATISTICS		
Population	46,512	47,907
Surface area in hectares	52,730	52,730
Valuation of taxable and non-taxable property		
Number of employees	291	296

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FUNCTION	SUB FUNCTION	PAGE
Finance and Administration	Finance Human Resources	
Community and Social Services	All inclusive	
Health	Clinics	
Public Safety	Police (Traffic)	
Waste Management	Solid Waste	
Water	Water Distribution	
Planning and Development	Economic Development	
Electricity	Electricity Distribution Street Lighting	
Water	Water Distribution	

**EMAKHAZENI LOCAL MUNICIPALITY
GENERAL INFORMATION**

Reporting Level	Detail	Total	
	REFER TO CHAPTER ONE		
	1.1. Mayor's foreword (Honourable Clr Linkie Mohlala)		
	1.2. Statistical information		
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
	REFER TO CHAPTER ONE		
	1.3. Executive Summary		

Function:	Executive and Council
Sub Function:	N/A

Reporting Level	Detail	Total	
Overview:			
Description of the Activity:	<p><i>The activities of the executive and Council within the Municipality include the following:</i></p> <p>Mayoral Committee</p> <p>Section 79 Committees</p> <p>Municipal Manager</p> <p>Speaker</p> <p>Mayoral Office</p> <p>Community Participation</p>		
Analysis of the Function:	1 Councillor detail:		
	Total number of Councillors	3	
	Number of Councillors on Executive Committee	13	
	2 Ward detail:		
	Total number of Wards	7	
	Number of Ward Meetings		

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Council Meetings Mayoral Committee	Of the 10 planned meetings, all were held Of the 22 planned meetings, all were held		
Section 79 Committee meetings	Finance Committee Community and Technical Committee Corporate services Committee	Planned 12 12 12	Held 9 12 12

Function:	Finance and Administration
Sub Function:	Finance

Reporting Level	Detail	Total	
Overview:	Includes all activities relating to the finance function of the municipality. Note: grants information should appear in Chapter 4 on <i>Financial Statements and Related Financial Information</i> .	See attached document	
Description of the Activity:	The function of finance within the municipality is administered as follows and includes:		
Analysis of the Function:	<p>1 Debtor billings: number and value of monthly billings: Note: create a suitable table to reflect monthly billed and received (against billed) across debtors by function (eg: water, electricity etc)</p> <p>2 Debtor collections: value of amount received and interest: Note: create a suitable table to reflect amount received from that month's billings plus interest from the previous month across debtors by function</p> <p>3 Debtor analysis: amount outstanding over 30, 60, 90 and 120</p> <p>- Total debts outstanding over 30, 60, 90 and 120 plus days across debtors by function (eq: water, electricity etc)</p> <p>4 Write off of debts: number and value of debts written off: - Total debts written off each month across debtors by function (eq: water, electricity etc)</p> <p>5 Property rates (Residential):</p>	<p>10773 Ref - Worksheet</p> <p>R 28,365,659 Ref - Worksheet</p> <p>R51667944 Current 30 60 90 120 150+</p> <p>NONE</p>	<p>R 33,574,630 Ref - Worksheet</p> <p>NONE</p> <p>2476183 1407216 201515 983864 956564 45642603</p> <p>NONE</p> <p>10773</p>
Reporting Level	Detail	Total	
7	Regional Service Council (RSC) levies:		NONE
8	Property valuation: - Year of last valuation - Regularity of valuation	1999 Every four years	
9	Indigent Policy: - Quantity (number of households affected)	1122 R (000s) NONE	
10	Creditor Payments: Note: create a suitable table to reflect the five largest creditors individually, with the amount outstanding over 30, 60, 90 and 120 plus days	R (000s) NONE	
11	Credit Rating: List here whether your Council has a credit rating, what it is, from whom it was provided and when it was last updated	R (000s) NONE	
	Note: Create a suitable table to reflect the balance of each external loan at the beginning of the year, new loans raised during the year and loans repaid during the year as well as the balance at the end of the year. Interest rates payable on each loan.	637374	646554
13	Delayed and Default Payments: List here whether Council has delayed payment on any loan, statutory payments or any other default of a material nature	NONE	

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Financial Viability and Corporate Governance			

Function:	Finance and Administration
Sub Function:	Human Resources

Reporting Level	Detail	Total	
Overview:	The Department is responsible for Human Resource, Recruitment, selection, skills, development, induction, <u>performance Management System.</u>		
	Organising of all Council, Portfolio Committees, Mayoral Committee and MANCO meetings. <i>Manage and implement best Human Resources practices for effective and efficient control of personnel services human resources development labour relations and employee safety.</i>		
Analysis of the Function:	Number and cost to employer of all municipal staff employed:		

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<i>Recruitment and selection</i>			
Compliance with section 18(2) MSA Relating to Council sitting	22 meetings were held.		
<i>Workshop on powers duties and functions</i>	Two workshops were planned and only one workshop was conducted		
Compilation of EEP 2007/2008	It was compiled and submitted on time to the Department of Labour.		
Compilation EER 2006/2007	It was compiled and submitted on time to the Department of Labour.		
Adoption of PMS	PMS was adopted		

Function:	Finance and Administration
Sub Function:	Other Administration (Procurement)

Reporting Level	Detail	Total	
Overview:	Includes all activities relating to overall procurement functions of the municipality including costs associated with orders, tenders, contract management etc		
Description of the Activity:	The function of procurement within the municipality is administered as follows and includes: Listing of each function:First the need must be identified by the different departments.Then the budget officer varifies the funds availability.Then the quotation and acquisition procedures are followed.The Municipality has a competitive bidding process The municipality has a mandate to:Insure that section 217 of the Constitution is upheld and implemented in a fair,equitable,transparent,competitive and cost effective and insuring that the Preferential Procurement Policy Framework Act is read in conjunction		
	The strategic objectives of this function are to: <i>Ensure that the community of Emakhazeni Area and the surrounding farm Areas fully participate into the main stream of the economy of Emakhazeni,by ensuring that the Historical disadvantage group is not marginalized by the systems put in place</i> The key issues for 2008/09 are: <i>1.Ensure that the Historically disadvantage people participate in the economic activities of the Municipality2.Youth,women and local contractors are given preference.</i>		
Analysis of the Function:	1 Details of tender / procurement activities: - Total number of times that tender committee met during year - Total number of tenders considered - Total number of tenders approved - Average time taken from tender advertisement to award of tender	<i>10</i> <i>53</i> <i>20</i> <i>2months</i>	
	2 Details of tender committee: - Details of tender committee membership:Specification committee is appointed by the Accounting officer it is composed of officials from the Municipality.Bid Evaluation committee it is a cross-functional it includes supply chain practitioner and 4 Municip Note: List details of each member of the tender committee:Specification committee is an adhoc committee which changes every time it depends on the need per departments.Bid Evaluation Committee Ms.J.Hlatshwayo,Mr.D.Mkhonza,Ms.N.Singh,Mr.M Sibanyoni and Mr		

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
	Achieve:We were able to give jobs to the value of 11 535 966.68 to the historically disadvantage group within our Municipality this included catering,transport and some tenders.For the 2008/2009 Financial Year the Municipality would like to give more attention	11 535 966.68	8 368 560

Function:	Planning and Development
Sub Function:	Economic Development

Reporting Level	Detail	Total	
Overview:			
Description of the Activity:	<p>The function of economic planning / development within the municipality is administered as follows and includes:</p> <p><i>promote the development and marketing of SMME's in the greater Emakhazeni region, to corporate with provincial government and other regional, national and international oraanisations. secure sussta</i></p> <p>secure sustainable development, to propagate and promote courtesy, friendliness, unity, and helpfulness and figthing poverty.</p> <p><i>create a strategic partnership with the private sector and foster a community base developmental approach</i></p> <p>The strategic objectives of this function are to:</p> <p><i>overseeing the implementation of LED projects, manage the socio-economic development programmes deliverable to LED and provide proposals, facilitation of SLP and community development forums in consultation with the private and nublic sector. legal comnli</i></p> <p><i>establishment of all outstanding LED projects within the municipality and develop a credible IDP for 2009/10 financial year.</i></p>		
Reporting Level	Detail	Total	
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target

Function:	Health
Sub Function:	Clinics

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of health		
Description of the Activity:	<p>The function for the provision of community health clinics within the municipality is administered as follows and includes:</p> <p>Primary health care is provided through the two clinics located in the municipal area, i.e the one in Siyathuthuka and the Emngwenya clinic. The services are mainly of a primary level which includes basic illness, child care, chronic treatments, family n</p> <p>These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:</p> <p>The municipality has managed to ensure that sustained services is rendered to the residents of Emakhazeni and to accommodate and provide support to the HIV affected individual. Also to raise awareness amongst health care workers to become youth friendly.</p> <p>The strategic objectives of this function are to:</p> <ul style="list-style-type: none"> To ensure effective provision of health services to the community of Emakhazeni. To provide counselling and support facilities to care for HIV/AIDS victims. To support home-based care givers to render better services to the victims. To bring health care s 		
Analysis of the Function:	<p>1 Number and cost to employer of all health personnel:</p> <ul style="list-style-type: none"> - Professional (Doctors/Specialists) 0 - Professional (Nurses/Aides) 2 - Para-professional (Clinic staff qualified) 2 - Non-professional (Clinic staff unqualified) 3 - Temporary 0 - Contract 2 <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p> <p>2 Number, cost of public, private clinics servicing population:</p> <ul style="list-style-type: none"> - Public Clinics (owned by municipality) 2 - Private Clinics (owned by private, fees based) 7 <p>Statistics only kept in the following age categories</p> <p>Below 5 years 6356</p> <p>Above 5 years 25298</p> <p>Total head count 31654</p> <p>4 Estimated backlog in number of and costs to build clinics:</p> <p>Emgwenya community had a clinic which was later closed by the department because of the structural defects that rendered it unsafe. Since its closure, the community has been deprived of access to the service and now have to travel to town in order to get</p> <p>5 Total operating cost of health (clinic) function: 1 R50 000 - R2 000 000</p>		

R 759 642.92

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
	The municipality has managed to strengthen its relation with the Department of Health so much that there has been progressive meetings held that led to a learner from the municipality being granted scholar ship to study in Cuba. The Department has assis		

Function: Community and Social Services			
Sub Function: All inclusive			
Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of community and social services		
Description of the Activity:	<p>The services rendered are of a facility maintenance in nature and or provision of a service that was previously neglected. Such services includes the maintenance of cemeteries and related functions, sports facility development, poverty alleviation and lih</p> <p>The function of provision of various community and social services within the municipality is administered as follows and includes:</p> <p>Provision of sporting facilities and related equipments for integration of society. Provision of food parcels to those in need of such. Provision of books and subsequent access thereto by means of libraries. Provision of access to other departmental servi</p> <p>These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:</p> <p>Become developmental in nature thereby ensuring that the legacy of the past is dealt away with and communities are being integrated.</p> <p>The strategic objectives of this function are to:</p> <p>Strengthen the implementation of various poverty alleviation mechanisms and projects. To make sure that sport and recreation is accessible to all interested persons thereby encouraging usage of sports facilities. To promote the culture of learning and tea</p> <p>The key issues for 2007/8 are:</p> <p>Access to the cemetery is still a problem in that cemeteries are not fenced and don't have internal access routes. Not sufficient reading material of current affairs is available as well as inability to attract new library members.</p>		
Analysis of the Function:	<p>1 Nature and extent of facilities provided:</p> <ul style="list-style-type: none"> - Library services - Museums and art galleries - Other community halls/facilities - Cemeteries and crematoriums - Child care (including creches etc) - Aged care (including aged homes, home help) - Schools - Sporting facilities (specify) - Parks <p>Note: the facilities figure should agree with the assets register</p> <p>2 Number and cost to employer of all personnel associated with each community services function:</p> <ul style="list-style-type: none"> - Library services - Museums and art galleries - Other community halls/facilities - Cemeteries and crematoriums - Child care - Aged care - Schools - Sporting facilities - Parks <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p> <p>6 Total operating cost of community and social services function</p>	<p>no of facilities:</p> <p>5</p> <p>0</p> <p>6</p> <p>15</p> <p>14</p> <p>3</p> <p>38</p> <p>13</p> <p>3</p> <p>no of users:</p> <p>1412</p> <p>0</p> <p>42 000</p> <p>59000</p> <p>unknown</p> <p>unknown</p> <p>unknown</p> <p>3400</p> <p>264 930 75</p> <p>6</p> <p>0</p> <p>5</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>same as halls</p> <p>19</p>	<p>463 500</p> <p>0</p> <p>170 000</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>same as halls</p> <p>118 047.49</p> <p>R1 811 044.63</p>
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
	Access control to cemeteries was prioritised and attained in that fencing of old Siyathuthuka cemetery with its internal routes (paving) was provided. The distribution of vegetable gardens to the needy was also made possible through the involvement of mem		

Function:	Housing
Sub Function:	N/A

Reporting Level	Detail	Total	
Overview:	Housing the nation is one of the foremost challenges facing government. The challenge relates not only to the enormous size of the housing backlog and the diverse needs of the homeless and others who are inadequately housed, but also to the housing environment.		
Description of the Activity:	<p>The function of provision of housing within the municipality is administered as follows and includes:</p> <ul style="list-style-type: none"> > Digging of trenches for preparation of foundations; > Laying of slabs and demarcation of rooms; > Build the houses using mortar and bricks; > Roof the houses as per the recommended roofing structure; > Connect electricity, water and sewerage system to the houses; > Register and transfer houses into the names of the beneficiaries and hand them over, to the community. <p>These services extend to include the building of the houses, but do not take account of subsidy allocation and approval, which resides within the jurisdiction of Provincial Government.</p> <p>The Municipality has a mandate to:</p> <ul style="list-style-type: none"> > Make provision of land for housing purpose: <p>The strategic objectives of this function are to:</p> <p>To establish and maintain a habitable, stable and sustainable public and private residential environment to ensure viable households and communities, in areas allowing convenient access to economic opportunities and to health, educational and social amenities</p> <ol style="list-style-type: none"> 1. Permanent residential structures with secure tenure and; 1. Potable water supply, adequate sanitary facility and energy supply. <p>The key issues for 2007/2008 are:</p> <ol style="list-style-type: none"> 1. Completion of the 380 units allocated for Emthonjeni RDP housing; 2. Completion of 171 housing units allocated for Siyathuthuka RDP project. 3. Construction of houses for farm dwellers where land has been made available 		
Analysis of the Function:	<p><Provide statistical information on (as a minimum):></p> <ol style="list-style-type: none"> 1 Number and cost of all personnel associated with provision of municipal <ul style="list-style-type: none"> - Professional (Architects/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Professional includes project design, Field includes all tradespersons.</p> <ol style="list-style-type: none"> 2 Number and total value of housing projects planned and current: <ul style="list-style-type: none"> - Current (financial year after year reported on) - Planned (future years) 3 Total type, number and value of housing provided: <p>380 houses - 45m² RDP houses.</p> <p>Note: total number and total value of housing provided during financial year</p> 4 Total number and value of rent received from municipal owned rental units 5 Estimated backlog in number of (and costs to build) housing: <p>N/A</p> <p>Note: total number should appear in IDP, and cost in future budgeted capital housing programmes</p> 6 Type of habitat breakdown: <ul style="list-style-type: none"> - number of people living in a house or brick structure - number of people living in a traditional dwelling - number of people living in a flat in a block of flats - number of people living in a town/cluster/semi-detached group dwelling - number of people living in an informal dwelling or shack - number of people living in a room/flatlet 	<p>0</p> <p>0</p> <p>1</p> <p>1</p> <p>0</p> <p>1</p>	<p>0</p> <p>0</p> <p>R40 000.00</p> <p>R 80 000.00</p> <p>0</p> <p>R1'330'000.00</p>
			R 39.9 million
			R17.1 million
			R 22.8 million
			R17.10 million
			R 17.10 million
			R 4 200.00
			R1.2 million
			R 75.2 million
		10 400	
		1087	
		100	
		150	
		400	
		40	

	7	Type and number of grants and subsidies received:		
		RDP subsidy		R17.51 million
		Note: total value of specific housing grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
	8	Total operating cost of housing function		R 20 000.00
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance		Current	Target
	1. A target of 390 was set where inspections on RDP, PHP and CBIS housing must be done in order to comply with NBR standard. The target was exceeded as more and more inspections were done during the construction phases.		695	390
	2. A target of 90 inspection on private dwellings was set. As a result of the shortage of Building Inspector not all the dwellings were covered.		50	90
	3. Assessment of building plans were done and exceeded the target. There is no variance recorded in this regard.		210	150

Function:	Waste Management
Sub Function:	Solid Waste

Reporting Level	Detail	Total	
Overview:	Includes refuse removal, solid waste disposal and landfill, street cleaning and recycling		
Description of the Activity:	<p>The refuse collection functions of the municipality are administered as follows and include:</p> <p>The municipality renders solid waste removal through a pre-determined schedule that is followed throughout the formal areas. In some areas, the method of collection has been through kerb side collection whilst in other areas, municipal employees takes out</p> <p>The municipality has a mandate to:</p> <p>Collect refuse from households and business</p> <p>The strategic objectives of this function are to:</p> <p>Provide a safe, effective and economical waste management and refuse disposal service through ongoing management, maintenance and provision of appropriate refuse disposal sites; development of a waste management programme. Control and minimize waste on landfill sites through recycling initiatives.</p>		
Analysis of the Function:	<p>1 Number and cost to employer of all personnel associated with refuse removal:</p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p> <p>2 Number of households receiving regular refuse removal services, and frequency and cost of service:</p> <ul style="list-style-type: none"> - Removed by municipality at least once a week - Removed by municipality less often - Communal refuse dump used - Own refuse dump - No rubbish disposal <p>Note: if other intervals of services are available, please provide details</p> <p>3 Total and projected tonnage of all refuse disposed:</p> <ul style="list-style-type: none"> - Domestic/Commercial <p>4 Total operating cost of solid waste management function</p>	<p>0</p> <p>2</p> <p>42</p> <p>13</p> <p>1</p> <p>58</p> <p>10865</p> <p>0</p> <p>0</p> <p>0</p> <p>1400</p> <p>16185m³</p>	<p>0</p> <p>147 000</p> <p>2.217,600</p> <p>686 985</p> <p>100 000</p> <p>R319 213.7</p> <p>0</p> <p>0</p> <p>0</p> <p>R41 132</p> <p>R3 705 099.23</p>

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
	Purchase of an LDV for effective monitoring and management of the refuse team. Fencing of the two dumping sites namely the Dullstroom and Machadodorp. Appointment of additional temporary workers and paper pickers for strategically located areas. Developin		

Function:	Water
Sub Function:	Water Distribution

Reporting Level	Detail	Total	Cost
Overview:	In order to provide qualitative and quantitative water supply to all consumers in terms of Water Services Act the Municipality has to fulfil the mandate to maintain the water infrastructure with a view to purify raw water to an acceptable DWAF standards.		
Description of the Activity:	<p>The water purchase and distribution functions of the municipality are administered as follows and include: Purification and selling of water to clients.</p> <p>The Municipality has a mandate to: Purify and sell water to client as per WSA</p> <p>The strategic objectives of this function are to: Increase capacity of the supply to cater for developments in the Municipal area.</p> <p>Number and cost to employer of all personnel associated with the water distribution function: - Field (Supervisors/Foremen) - Non-professional (blue collar, outside workforce)</p> <p>Cost of water supplied to communities</p> <p>Number of households with water service, and type and cost of service: - Piped water inside dwelling - Piped water inside yard - Piped water on community stand: distance < 200m from dwelling - Piped water on community stand: distance > 200m from dwelling - Borehole - Spring</p> <p>Current (Financial year after year reported on) Planned (future years)</p>	<p>24</p> <p>4153 4332 1085 620 155 1 4</p>	<p>R1'133'208.96</p> <p>R3'079'024.00</p> <p>R129 573.00 R134 855.00 R 37 975.00</p> <p>R5'425'000.00</p> <p>R3'000'000.00</p> <p>R12'000'000</p>
	<p>Anticipated expansion of water service: - Piped water inside dwelling - Piped water inside yard - Piped water on community stand: distance < 200m from dwelling - Piped water on community stand: distance > 200m from dwelling - Borehole</p> <p>Estimated backlog in number (and cost to provide) water connection: - Piped water inside dwelling - Piped water inside yard - Piped water on community stand: distance < 200m from dwelling - Piped water on community stand: distance > 200m from dwelling</p> <p>Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household)</p> <p>MIG</p> <p>Total operating cost of water distribution function</p>	<p>3397 5433 1057 751 155 742 1500 200 300 10750 10750</p>	<p>R 9'715.00 R15 537.00 R30 230.00 R 21 478.00 R5'425'000.00 R3'000'000.00 R4'000'000.00 R1'500'000.00 R2'000'000.00 R1'116'528.00 R1'116'528.00 R3.4 million R 103 084.00</p>

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Water purification	Problems were encountered with the purification controls. The variance on planned and achieved performance could not be recorded due to manufacturing of the controls.		

Function:	Electricity
Sub Function:	Electricity Distribution

Reporting Level	Detail	Total	Cost
Overview:	General maintenance of the HT lines as well as good electricity supply lines.		
Description of the Activity:	Purchase and sell electricity to communities.		
Analysis of the Function:	The strategic objectives of this function are to: Distribute uninterrupted energy to clients and upgrading of		
	The Municipality employs one professional electrician and one assistant electrician		
	1 Number and cost to employer of all personnel associated with the electricity distribution function: There is high reliance on electricians from service providers.	1	R 85 800
	There is no designated person dealing with electricity as a Non professional (blue collar, outside workforce).	1	R 194 940 R 200 000
	No temporary staff were employed on electricity		
	The Municipality uses Pro-Eng as its professional engineers on electricity since 2004	2	R 40 000
	The Municipality provides electricity to approximately 10400 households.		
	Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer - Electrified areas - Municipal - Eskom Note: if other types of services are available, please provide details	1400 None	R (000s) N/A N/A
	Number and cost of new connections: Number and total value of electrification projects planned and current:	160	
	- Current (financial year after year reported on)	1	R 3 000.00
	- Planned (future years)	1	R 3 200.00
	Note: provide total project and project value as per initial or		R 3 000.00
	- Quantum (value to each household)	1200	
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target

Function: Electricity			
Sub Function: Street Lighting			
Reporting Level	Detail	Total	Cost
Overview:	General maintenance of street lighting poles and equipments. To provide affordable and reliable electricity, efficient maintenance and attendance of electricity complaints to minimize interruptions adhered to.		
Description of the Activity:	<p>Street lighting responsibilities of the municipality are administered as follows and include:</p> <ul style="list-style-type: none"> > Maintenance of the electricity poles. > Replacement of old globes/bulbs <p>The strategic objectives of this function are to:</p> <ul style="list-style-type: none"> > Diver on the maintenance plan <p>Number and total operating cost of streetlights servicing population:</p>	110	R 55 125.00
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Maintenance	There are lot of outages in Emakhazeni which affected the		